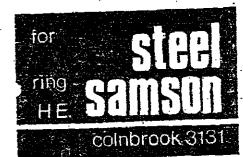
BIRMINGHAM-CARDIFF-EDINBURGH-GLASGOW

SWANSEA-WIGAN-YATE and OVERSEAS

طراك و عه



DENMARK Kr 8.05; FRANCE ET 5'00; GERMANY DM 2.0. ITALY L 1.000; NETHERLAND SI 2.25; NORL , Kr 6.00; PORTUGAL Est 50; SPAIN PLS 85; SWEDEN Kr 6.00; SWITZERLAND Fr 2.0; EIRE 420; MALTA 30c CONTINENTAL SELLING PRICES. AUSTRIA Sch. 15: BELGIUM Fr 30:

BUSINESS

Miners'

leaders

urge vote

for strike

leaders today urge their 250,000

members to vote for a national strike over pay "if necessary." The union's newspaper says the Chancellor's recent economic package has destroyed the value of the NCB's £102m offer Back Page

wealest member of the Euro

pean Monetary System, but still

within its official divergence

The D-mark was the second weakest, behind the Halian lira.

while the Irish punt was the strongest, ahead of the Danish krone and French franc.

ment of the EMS and a devalua-

tion of the lira in March the system showed little change

from the end of 1980 when the

French franc was the stronges

curency, and the D-mark's weak

ness was the major factor of

EMS DEC 31, 1981

GRID

BANK OF ISRAEL'S new governor will be Dr Mosho

Mandelbaum, deputy governor

since September. Men and

OUR ECONOMY has yet to

climb out of recession, according to signs in today's FT

Survey of Business Opinion.

O UK TRUCK INDUSTRY may

never recover from the reces

DRI Europe. Page 3

sion, says the forecasting group

O MALAYSIA set up its first

multinational trading agency

with authorised capital of

Ringgit 110m (£26m). Page 2

• SASKATCHEWAN plans to

double it polash mining capa-city by 1989, making it the

West's most important producer.

• UK CHEMICAL companies

can expect output to grow more

than 50 per cent in the 1980s

says Cambridge Econometrus.

LONDON Enterprise Agency

announced new services to help

• PENSION FUNDS with in-

vestments in Associated Com-munications Corporation are

seeking the Bank of England's

advice on how to contest the

group's £700,000-plus payout to

• PRUDENTIAL CORPORA-

TION said new annual premiums worldwide rose 13

er cent last year to £239.4m.

Single premium-jumped 26 per

U.S. lifted nel cornings from

\$233,5m to \$298.6m for the first nine months of 1981-82. Page 18

cent to £131.5m. Page 16

former manuging director Jack

small businesses. Back Page

Matters Page 14

Back Page

Page 3

Gill, Page 4

After October's major realign-

GENERAL

Egypt to buy 20 Mirage fighters

Egypt has agreed to buy 20 French Mirage 2000 combat air-eraft in a deal worth 51bn (£523.6m). The agreement came at the end of French Defence Minister Charles Hernu's three-

day visit to Cairo.
The French Government will finance the deal with a short. . BELGIAN franc fell quite term loan at 9 per cent interest sharply last week to finish the repayable in instalments from 1983. Back Page; Saudi pledge,

Pipeline blast

Iraq's efforts to increase oil exports suffered a serious setback when saboteurs blew up a pipeline carrying crude to the Lebanese port of Tripoli. Back

Terrorists freed Page women held on terrorist charges escaped from Rovigo prison Italy after guerrillas hlasted a hole in the prison wall. A passer-by was killed.

Floods hit North

Melting snow and heavy rain caused widespread flooding in Cumbria. Yorkshire and Gloucestershire. In Scotland, drifting snow blocked many roads. Page 4

Rail death crash

A British Rail workman was killed and nine others were injured when a goods train crashed into the rear of a stationary train near Northamp-

Son in hiding

Polish Deputy Premier Mieczys-I'm Rakowski's son, reported to be seeking a new life in the West, went into hiding to escape publicity. Page 2

Bomb claims

Police were last night investigating claims that militant Welsh nationalists were responsible for the weekend homb blast in Fleet Street, London.

The chair shows the two constraints on European Monetary System exchange in European Monetary System exchange interest in the system defines the weakest currency in the system defines the weakest currency in the system defines the weakest currency in the system defines the following more than the system of the system of the system of European Currency Unit (ECU) itself a backet of European Currencies.

Ghana's new mulitary rulers told officials of the Government they

Ghana appeal

their own safety. Page 2 Support for Foot Labour leader Michael Foot is cupected to win strong union

averthrew on New Year's Eve-

in surrender to the police for

backing this week in an attempt to end the party's internal

squabbles. Page 4 Peniee cash Philanthropist David Robinson,

was named as the man behind the charitable trust which has given £400,000 for a new Penice lifeboat. Army power bid

Bangladesh President set up a in-member security council in an effort to accommodate army

England ahead England ended the third day of

demands for a role in deciding

the fourth test in Calcutta 89 run; shead of India. England: 248 and 49-1. India: 208.

Miller wins

Johnny Miller (U.S.) won golf's richest-over first prize of \$\mathbb{S}\m (10.26m) in South Africa's Sun City Challenge, bearing Seve Ballesteros (Spain) in a suddendeath play-nff.

Briefly ...

Taxi driver was shot dead in Spain's Basque country. Mother and son died in a blaze @ BEATRICE FOODS of the at their Newcastle home. Five left-wing guerrillas were

- CONTENTS -

U.S. economy: time for cool Law report: possession of neither heaven nor hell 15 chester's tale of riverbank Technology: when computers become the insurance: BIA plans summer advertising camexperts 7 Management: road to indus- Editorial comment: Poland;

trial harmony 9 labour relations 14

Appendments UK
Som Cales
Building Notes
Pire man's Diary
Company News
Cross word

Technology TV and Radio

Improved Ford offer may avert strike called for tomorrow

BY IVO DAWNAY, LABOUR STAFF

54,000 manual workers are to programme. meet today to discuss an improved management offer, raising hopes that the all-out strike London this morning to decide whether to get for a plantwide

The offer was made at the weekend in talks between Mr Paul Roets, Ford's mountained lations director, and Mr. Ron Todd, chief negotiator for the strike action will be suspended to allow mass meetings to be to allow mass meetings to be to allow mass meetings to be

tion of a 39-hour working week unions on Wednesday and from November to June 1, and Thursday. to introduce increased pensions in line with white-collar workers by August 1 instead of waiting for the findings of a working party to report for next year's wage round.

Pensions and a shorter working week have remained the broadly agreed on a 7.4 per cent improvements pay increase and the terms for

NEGOTIATORS for Ford's the introduction of an efficiency the trade union side together The unions' 56-strong nego-

threatened to begin tomorrow will be called off.

The effect was made at the Ford's improved package merits a recommendation for accept-

It is believed Ford has agreed held tomorrow with shop to bring forward the introduc- stewards reporting back to their Thursday.
Neither side has indicated

what outcome is expected from today's meeting, though provision has been made for mass meetings to take place tomorrow. However, Mr Todd acknow-

ledged last night that the unions had agreed to reconvene before principal outstanding issues be- the strike went ahead only if tween the two sides, which have the company offered "significant

"The fact that I have asked

must indicate that there are some areas that must be seriously considered," he said.

Ford also confirmed that there had been improvements. although declining to comment on its hopes for a settlement.
"We believe this is a good package by any standards, and we are hoping that those who have so far upposed a deal will think again." the company said.

Talks held at the London offices of the Advisory, Conciliation and Arbitration Service last month broke down amid bitter recriminations from both sides. The union said that Furd's improvements to bring forward the shorter working week and to look into pensions were merely token gestures.

Ford countered by warning that it was prepared to sit out font strike if it failed to win a more favourable and concilia-tary response from the unions, The long hard read to industrial

Alliance by-election hopes hit by dispute over share-out of seats

BY MARGARET VAN HATTEM, POLITICAL STAFF

the weekend, threatens the alliance's chance of success in a promising parliamentary by Rodgers and fully support his Mr William Rodgers, who as

the Conservative MP for Glasgow Hillside, has prompted. Derbyshire seats. speculation that Mr Roy Jenkins

may contest the seat.

They resent what they see as chief SDP negotiator, has broken off discussions with the agreed guidelines for sharing we Liberals on the share-out of out seats, both in general and at seats for the rest general in two particular instances. election, yesterday came under These are the Liberal refusal strong attack from leading to support Dr Liberan Mabon Liberal MPs. Meanwhile, the death of Sir Thomas Galbraith, and the alleged Liberal refusal

The Social Democrats are trying to force Mr David Steel. If the Conservatives decide to the Liberal leader, to impose exploit the current tensions in unprecedented discipline-

the alliance and call an early "It is my belief," Mr Rodgers

leaders have rallied round Mr. ties consists of agreements, once

reached, properly carried out.
"David Sicel agrees — the question is whether David Steel is prepared to put his full weight behind it, and bring re-cibirsal Liberals into line."

Second Democrats hope the dispute will be resolved when Mr Steel mack early this week. Senior Liberal MPs were in trenchant mood yesterday, however. Mr Cyril Smith accused Mr Rodgers of "acting like an overgrown

CHANCELLOR'S NEW YEAR MESSAGE

Signs that the clouds are lifting

THIS TIME last year, I dared to predict that 1981 would see British industry more than holding its own. That medest prophecy (and when Chancellors turn to prophecy, modesty is the hetter part of valour) has, I believe, been well vindicated.

The sad harsh tide of unemployment has continued to advance, here as elsewhere, That it has risen so much higher here than in some of our more successful neighhours is testimony to past follies, and the ingrained bad habits which those follies helped create. But whereas elsewhere it is continuing to accelerate, at least in Britain

the pace is slackening. And in other respects the evidence of better times in store is beginning to accumulate. Notwithstanding the enormous losses in our international competitiveness in the previous five years, export deliveries have held up well

this year.

The combination of some fall in the exchange rate and a much more moderate level of pay settlements enabled us in 1981 to recoup some of the ground we had lost. Partly as a consequence, manufac-turing output began to recover from its low point in the spring, and the last two quarters produced a real and worthwhile upturn. Short-time working was down by a full three-quarters. Overtime and notified vacancies are now rising.

Looking forward to 1982 the path ahead is still beset with hazards. Output in the main industrial countries remains depressed, and only a

moderate recovery is likely next year. The levels of public borrowing in many countries continue to post a threat to interest rates; and (as our experience summer showed) peither we industrial economy can stand out for very long against the trend. At home the progress

towards greater sense in wage bargaining is still fracile, and if bargainers out a higher value on machismo than on the job security of [OT whom they negotiate, both numbers on the payroli and services to the community are liable to suffer, as they have already

Yes the clouds clearly are lifting. Across the world the battle against inflation is being won, following the Striking and unanimity of governmental response to the second oil "shock." The cost of essential commodity imports seems more likely to help than to hinder the attainment of our domestic price objectives.

The Industry Act Forecast (and like the long-range weather forecasts of yore, the messages we obtain from our various "models" need to be treated with the respect they deserve, but no more than that; predicts a continuing growth in output over the next 12 months, most notably from the manufacturing sec-

The recent CBI surveys suggest a marked increase in our export order books. And profitability of private

progress won over the past two years, maintaining the advance in productivity and continuing the downward trend in pay bargaining, trading up and tackling the markers of the world like our merchant adventurers of old. then 1982 will be a year to satisfy the hopes of the most optimistic among us. With your help, I believe it

GEOFFREY HOWE

Call for common industrial policy

chairment of Philips, one of in reviewed competition.

Europe's leading electronics. With only a few companies.

Interviewed for the Financial Times: "Forceasts 1982," (published on pages 12 and 15) Dr. Said dustry. These barriers were chairmen of British Steel.

the annual to afford the bil-to be restored. during a combination of forces of the only answer. Di Dekker

Dekker criticised the trade. Action in reduce capacity in Machinegor, "It would be good barriers which protected much the furonean steel industry is to see some action soon. I of the European electronics in miled for by Mr Lin MacGregor, believe the acid test will be what

A COMMON European industrial active supporting a record and reasonable policy is independently needs to account to the policy of the period of the policy of the period of ditions would eventually have

> "This means other EEC steel producers have to reduce capacity as PSC has done," said Mr MacGregor, "It would be good happens in Belgium,"

Ulster conomic pakage this veek

By Margaret Van

A MAJOR three-year housing programme, a large conjuction project and a youth employment programme are among the eyelements of an economic the age for Northern Ireland with a last week. lieland Secretary, plans to announce on Wednesday.

The package, the first for the province since the Government took office in May 1979, is intended to create jobs quickly and to rally support for a political initiative centred on a newly elected assembly within six months.

Top priority is being given to housing. For the first time, the Cabinet has approved funds over three years, which will increase housing starts.

This is expected to pre-empt any Treasury pressure for spending cuts of the type which cut heavily into Northern Ireland housing and social services programmes in autumn

The youth employment programme is expected to be significantly more generous than in the rest of the UK. Young people will receive £25 a week instead of the £15 allowemphasis will be on training ance on the mainland. The and further education, rather than work experience on the

employers' premises, Mr Prior is expected to emphasise the extent to which was influenced by the Northern Ireland politicians who accepted his invitation to talks HOSTILITY between Liberals by-election Mr Jenkins's said yesterday, "that the on the Ulster economy, Although and Social Democrats, which chances could be seriously erupted into a full scale row at damaged.

The other Social Democratic consists of leadership and poli- Molyneaux, and the Democratic Unionists (DUP), led by the Rev Ian Paisley, boycotted the talks, the five politicians who did

attend appear to have been unanimous in asking that bousing should be given top priority, The Government hopes that the evidence of the scope for local politicians to induence Government policy, together with the package itself, will give impetus to devolution talks.

Mr Prior is due to meet leaders of all the main parties except the DUP next week, and

EEC attempts to heal split over line on Poland

BY JOHN WYLES IN BRUSSELS

COMMUNITY EUROPEAN Foreign Ministers will try today to reconcile their differences over how to react to events in Poland but will stop short of sanctions against the Soviet Union similar to those an-nounced by President Reagan

In one of their most sensitive iscussions for many years, the ministers will have two

human rights in Pland.

The U.S. must ccept, however, that the Europans da not agree that the Sover Union should be the target of special areas at present, since hoseov's direct responsibility for the Polish crackdown cannot be applicable. established.

Most Ministers are arriving in Brussels depressed by the dis-array in the Community. Many believe it was unnecessably provoked by President Reagans has come for a change of policy. sanctions decision.

They do not understand the

President's haste though one that Mr Reagan's move was precipitated by anger over a letter to him from Mr Leonid Brezhnev, the Soviet leader. The UK and France appear ready to offer assurances that

U.S. sanctions will not be undermined by the Europeans. But the Ten want more detailed information. If the U.S. policy threatens the new Soviet gas pipeline to Western Europe, it is feared that West German opposition could rule out any assurances to the U.S.

Bonn remains the strongest advocate of a graduated response to the Polish crisis. Although opinion there is showing signs of hardening, the

Germans are still arguing that Warsaw should be allowed more time to fulfil its assurances that reforms would be con-tinued and trade union rights

re-established. Chancellor Helmut Schmidt will try to persuade Mr Reagan of the virtues of this approach tomorrow when he leaves his Florida holiday resort for a White House meeting. He will

ministers will have two or main objectives:

or main objectives:

convince the Polish military covernment that it will inevity face European reprisals it does not relax its crackdo on Solidarity and seek agreement on internal reforms will firade union and Church lead.

To convince the U.S. Government and public opinion of Europe's intenting to defend human rights in Frand.

The U.S. must ccept, how-

certed action can be satisfied. Within the EEC, the UK, with some support from Italy, is most anxious to heal the breach with the Americans by pressuring Moscow and Warsaw. France's position is not yet clear, but today's meeting may be unable to go further than warning Poland that Europe's patience is running out, and that the time

More broadly, some Ministers may see the Conference on Security and Co-operation in explanation in EEC capitals is Europe as the possible forum that Mr Reagan's move was for joint action with the U.S. The conference, due to resume il February, deals with most aspects of East-West relations as they affect Europe. However, not all member states are attracted by the U.S. idea of calling a special session of the conference to arraign the Polish Government for breaching the Helsinki Final Act on human rights.

> It is widely thought that the Poles and the Russians would prevent the conference taking place and that this could destroy the modest achievements registered in Madrid

Editorial comment. Page 14 Polish crisis, Page 2

Rail overtime ban begins

All OVERL AF IVO DAWNAY, LABOUR TRAIN DRIVERS begin a by maintening address, and alloads and or oversing and train, and the property of the end of angle this our as a core to he angle to the all the fact that a core to the angle to the

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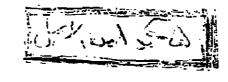
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Israel reacts coolly to Saudi recognition pledge

BY DAVID LENNON IN TEL AVIV

ISRAEL reacted coolly yester- Prince Fahd. -day to a Saudi Arabian statement that Riyadh would be will- Fand's eight proposals spoke of oing to recognise Israel if it withdrew from the Arab territory states in the area to exist, but . captured in 1967 and recognised the rights of the Palestinians.

 This explicit Saudi undertaking was given by Prince Saud al-Feisal, the Foreign Minister, in an interview with the New York Times. It is the first time that a member of the Saudi ruling family has stated publicly that his country would recognise Israel's right to exist.

The Israelis refrained from any official reaction but in private it was stated that there was nothing in Prince Feisal's interview to change Israel's total rejection of the peace proposals prior conditions such as those made in August by Crown contained in the Saudi plan.

Egypt's new

deputy PM

named

The seventh of Crown Prince recognising the right of all the Israelis have refused to believe that this included Israel.

Mr Menahem Begin, the Prime Minister, totally rejected the Fahd proposals as designed to bring about the destruction of Israel in stages. He later Washington expressing support for the

state, including Saudi Arabia, but this must be without any

Prince Saud insisted during his interview that the synthetic his interview that the synthetic his his interview that the synthetic his his interview that the synthetic his interview that the synthet despite its cool receptif the more radical Arabs summit collapse of the Arabhe end meeting in Morocco

The Saudi Forgan Minister said he hoped the Arab Heads of State would feet again in three or four onths and that three or four onths and that they would the agree a joint position bas on the plan. But he do it was essential for there be a change in U.S.

Officials said privately last night that Israel was willing to discuss peace with any Arab wants point adopted to the control of the control were not accepted then "all Isrations will lead to conflict

Ghana cous leaders order officials t/surrender

THE LEADERS of hana's New Year's Eve coup farned senior members of he overthrown civilian Goodment yesterday that their steety would not be guaranteed if they did not report to a rmy base outside the capial, Accra.

The warning indicates the capial according to the civilian Government was that it had allowed corruption to run riot and had according to the civilian Government to run riot and had allowed corruption By Anthony McDermott in Cairo Prime designate. Dr Fuad Moheiddin, has nominated Mr Mohammed Abdel-Fattah Ibrahim, 20vernor of the Central Bank of Egypt, for the key position of deputy Prime Minister for economic affairs, the official Middle East The warning indicates that

News Agency said yesterday. Observers were surprised by the nomination which was expected to be officially confirmed later. This first Cabinet reshuffle

since President Husni Mubarek succeeded the late Anwar Sadat last October, is expected to he partial, centring on the Economic Ministry.

it was expected that the may named to succeed Dr Abdel-Razzaq Abdel-Meguid, the pre-vious deputy premier with overall charge of the economy, would have been well-known. Since he came to power, Mr Mubarek has consistently made clear that after internal security the economy is the main priority.

Mr Ibrahim was formerly Minister of Social Insurance. but he had to retire because of iil-health. He has been governor of the central bank for the past six years, but has been known to have been wanting to retire from that post also.

BY MARK WEBSTE

nany members of the overthrown Government have gone into hiding. The order to report to the base, at Burma Camo, is an ominous reminder of the last coup led by Flt-Lt Jetry Rawlings in June 1979. The base was then used as a brison where eight senior military personnel were kept until their execution.

News from Ghana is still limited to broadcasts on Radio Accra and it is not clear to what extent Flt-Lt Rawlings and his supporters control the country. But in a broadcast on Saturday Flt-Lt Rawlings said he had suspended the constitution, dismissed the civilian Government and banned political parties.

The 34-year-old leader of the coup also launched a bitter personal attack on the civilian Government of President Hilla Limann who is reported to be under house arrest at the presidential administrative offices in

to run riot and had not taken care of the economy. "They care of the economy, "They have turned our hospitals into graveyards and our clinics into death transit camps where men, women and children die daily because of lack of drugs and basic equipment," he said in his

He described the Limann Administration as "the most disgraceful Government in the history of this country.'

His assurances that Ghana's business community should "entertain no fears" and that provisional National Defence Council will adopt "to develop a selfmeasures sustaining and disciplined economy" are unlikely to give much comfort to the business community which remembers the ravages of the armed forces during Rawlings's last coup. The problem the coup leaders

are likely to face, as they did in June 1979, is that of a totally undisciplined demoralised army which spent more time terrorising the Accra is reported to be quiet populace than defending it.

Maaysia uges unity *against* oil giants

Malaysia's Prime Minister, Dr Mahatir Mohamad, has called on the ive-member Association of South-East Asian Nations (Asean) to join forces to break the monopoly of multinational oil companies in the region. Kathryn Davies reports from Singapore. Speaking at the end of a three-day private visit to Singapore, Mahatir said that while individual Asean members-Malaysia, Singapore. Thailand, Indonesia and the Philippines -could not compete with the multinationals, it would be possible together to over-

region's oil industy. Dacca forces' role

Bangladesh's armed forces tion with the setting up o fa National Security Council with wide powers, Kevin Rafferty reports from Delhi. Three service chiefs will sit on the council in Dacca with President Abdus Sattar, the Vice-President and the Ministers of Industries, Home Affairs and Finance

come their domination of the

Lieutenant-General H. M. desiared at the time of the Presidential election in November that the armed forces should be given a constitutional say in the running of the country.

Singapore restrictions Thousands of foreign workers

in Singapore on temporary work permits will have to leave by the end of 1984 as part of a Government plan to build up a wholly local labour force in the next 10 years, Reuter reports from

Mr Lee Kuan Yew, the Prime Minister, said only foreign workers employed in construction and shipbuilding would be allowed to carry on until the end of the decade.

Korean reshuffle

President Chun Doo-Hwan of South Korea reshufiled his Cabinet yesterday to deal with economic tasks more effectively," Reuter reports from Seoul. The Prime Minister, Mr Nam Duck-Woo, was replaced by the president of the Korean Traders' Association. Mr Yoo Chang-Soon.

Poland purges 'corrupt officials'

BY OUR FOREIGN STAFF

purged about 90 allegedly corrupt and incompetent senior officials since they seized power last month, according to Warsaw

The sackings, which included provincial governors and mayors, seem designed to persuade Poles that Gen Wojciech Jaruzelski's new administration is moving even-handedly against discredited Communist Party and establishment figures as well as the suspended Solidarity trade union.

The broadcast also claimed that about 5,000 union workers were still detained, although uncensored claims reaching the West put the figure as much as four times greater.

Official, censored reports in the Polish media continued over the weekend to give the impression that normality was being

Some 2,000 workers were said to have turned up on New Year's Day to prepare the Lenin

Rakowski's

into hiding

Rakowski, 25, son of the Polish

Deputy Prime Minister, Mr

Mieczysław Rakowski, has gone

into hiding in an apparent attempt to escape publicity after

being reported to be seeking

a new life in the West, police

Mr Artur Rakowski, his wife

Anna, 22, and son Adam, two, had left the small Wiesbaden

hotel in which he had lived

for the past four months since

leaving Poland, they added. . His decision to leave the hotel

had been apparently prompted

by a desire for privacy after

He was quoted in West German and foreign newspapers

as saying he had applied for

political asylum in West

Germany a month ago, and was

hoping to emigrate to Australia.

He had not seen his father

Mr Rakowski did not get in

touch with his father, who

visited Bonn for little more

than a day last week to brief

West German Foreign Minister Herr Hans-Dietrich Genscher,

on the situation in Poland

since leaving Poland.

reporters found him there.

said yesterday.

son goes

POLAND'S military rulers have suggestion was that all resistance had ended.

Katowice, scene of rebellion among miners, was also reported calm. The curlew in the northern Szczecin Province has been shortened because of "increasing stability and public security, newspapers claimed."

Just before the weekend, however, local Communist Party officials described the situation in and around Gdansk and Szczecin as "still difficult." Warsaw Radio also said that

all Polish mines were working at full capacity and that in several areas more pit workers than could be employed turned up for work on Saturday. The Wujek mine, near unknown.

Katwice, where seven strikers militia moved in, was said to be nearing peak output again. Warsaw television reported that five leaders of a steel workers' strike in Katowice had

been fined and jailed for up to seven years. The whereabouts and coudi-



the Solidarity leader, remain

Unconfirmed reports reaching were killed last month when the the West at the weekend, however, said that he was being held near the Interior Ministry sisting that he would not close associates, Mr M; negotiate with the military unin Warsaw and that he was inless the talks were held on

He was also said to be standsumption of work today. The tion of Mr Lech Walesa, ing by his demand that the talks ing illegally from his posi-

should include all the me: of the union's ruling przesi The union, meanwhile, is to be slowly reorganising fi ing the takeover in which of its best-known leaders swept up in the mi

security net. There are reports of a creasing flow of undergr Solidarity leaflets urging pa

resistance. The establishment fi sacked in the Government (include senior officials fro of the country's 49 provi Officials expelled from the munist Party include man of agricultural co-oper. accused of failing to pr

enough food. Following reports that in gations were almost com former Party leader, Mr Ed Gierek, the radio announce the weekend that one of and television chief. would

on trial tomorrow_ He has been accused of p

Pravda discounts U.S. sanction

BY OUR MOSCOW CORRESPONDENT

cautiously yesterday that it of the sanctions, which include announced against expects little West European a ban on high technology apparently waiting for waiting for U.S. economic sance exports and suspension of talks ton's allies to take usions against itself and the on new grain and shipping positions on the issue. Polish Government.

The signal came in a commentary in Pravda, the official Communist Party newspaper. on the eve of a meeting of Common Market Foreign Ministers called to discuss the sanctions. The paper suggested that there was great reluctance among the Ten to follow among the Washington's hard line.

"The West European allies are not, for the moment, hurrying to align themselves with the discriminatory measures of the Atlantic 'hawks'," Pravda said. Analysts saw the comment as confidence

Soviet-European multi-million pound Siberian gas deal which involves particularly West Germany, Italy and France. Shipments of U.S. pipeline equipment are affected by the Reagan sanctions.

Moscow has portrayed the U.S. sanctions against Poland as a gesture of anger by the Reagan Administration that a "counter-revolutionary had not taken place there.

THE SOVIET Union indicated be full endorsement by the EEC reserved over the sanc apparently waiting for Wash ton's allies to take up 1

> The divisions that emerge It suggested in particular that the ranks of the Western a there was little fear by in the wake of the Afghania Moscow over the future of the related sanctions in 1980 propaganda ammunition.

The Soviet Press yester kept up a barrage of cha against the U.S. Administra over Poland. Pravda acci the Central Intelligence Age gence organisations of supp ing forces in Poland that been on the verge of unle ing "fratricidal slaught when authorities had impo

Warsaw devalues the zloty

(censored) -Poland has announced a major devaluation of its currency, the zloty.

New Polish National Bank exchange rates published by teh Communist Party news-Trybuna Ludu on

Saturday said that one U.S. dollar would now have an official rate of 80 zloties instead of the former rate of

The pound will now be worth, 153.49 zloties on the official rate, instead of 65.62 zioties.

an announcement by ti State Price Commission tu. days ago which said th Government was proposity sharp increases in the pri: of food, fuel and electricity....

WORLD TRADE NEWS

Malaysia sets up first multinational trading company

BY WONG SULONG IN KUALA LUMPUR

MALAYSIA'S first national trading agency has of such trading houses, as Mitsui, come into being following signaMarubeni and C. Itoh, in helpture of a Government-approved agreement by four of the Southeast Asian nation's largest corporations.

after the Sogo-Shoshas, Japan's giant trading houses, is to be called Nastra, and will have an authorised capital of Ringgit 110m (£26m). Nastra becomes the first of

what Malaysia hopes will be a nucleus of four or five trading houses. Among those envisaged are the Malaysia International Trading Company and Multipurpose Holdings, and talks are going on among major Malaysian companies to effectively turn

these into trading agencies.

The initiative of forming Japanese-type trading houses came from Dr Mahathir Mohamed, the Prime Minister, Asia.

multi- who is impressed with the role ing Japan grow as a world industrial and trading power.

> Two of the four corporations taking part in the Nastra venture are Petronas, the national oil company and Felda, the government's land development authority, owner of more than 1m acres of plantations and biggest producer of rubber and

The other two partners are Malaysia Mining Corporation, world's biggest tin mining group, owning 38 of 54 tin dredges in Malaysia, and Kuok Brothers, a prominent Malaysian Chinese family group, whose interests range Malaysian from ship building, hotels and property, and which dominates the sugar trade in Southeast

BRITISH CONSULTANCY OVERSEAS

Coal expertise boosts foreign business BY PAUL CHEESERIGHT, WORLD TRADE EDITOR

THE UK's consultancy sector manufacturing - work is outstanding, said Mr John Biffen, the Trade Secretary. In 1980 its invisible exports were worth £900m. A tiny part of that sector is Coal Processing Consultants (CPC), whose strength is the knowledge of exploiting a traditional British

energy resource. CPC is a hybrid company. It has been set up to bring lo-gether the coal skills of the private and public sectors. On one hand there is the National Coal Board, the biggest coal producer in Europe, and on the other are Babcock International. the engineering group, and British Petroleum, one of the the inter-

national oil industry. "Our marketing strength is Mr Gerard Grey, the CPC marketing director.

But, added Mr. Bill Fribbance, the company secretary, "we offer independent advice, because we're not looking for downstream activity for our-

For all that, the employment of CPC by an overseas client or the employment of any other British consultant for

BY JOHN WICKS IN ZURICH

survey published by Credit profits.

Suisse, he points to the present

state of the markets in indus-

trialised countries and the un-

satisfactory forecasts for the

British industry.

"When we have a successful consultancy, it opens the door for UK manufacturers," noted Mr Fribbance. "If the preferred consultant is British, the preferred manufacturers will be British. That tends to be the case. The specifications written would be British."

But in the coal industry, CPC is only just beginning to spread its wings. With a permanent staff of 15 or 16 and drawing in expertise from its parent companies, it is offering to supply technology for dealing with coal "in any aspect from the time it reaches the sur-Seven Sisters of the interface," as Mr Grey put it.

Since the formation of the "Our marketing strength is original company by the NCB the name of our parents," said and Wooddall-Duckham, now absorbed into Babcock, in 1976 -BP joined later-58 orders have been won with a value of £1.2m. The target over the next 18 months is to generate £1.1m of business.

Although, CPC draws on an array of resources, its main competition is formidable and varied. The big process con-tractors like Bechtel or Brown of the employment of any and Root are sometimes pre-other British consultant for pared to do a study of a particu-that matter — can lead to lar problem, which is cheap to

Swiss industry outlook poor

PROSPECTS for the Swiss franc exchange rate in recent

engineering industry in 1982 months as well as acceleration

are—"not good," according to of inflation in Switzerland. This Herr Artur Frauenfelder, was seen as hindering the neces-

deputy chairman of Sulzer sary adjustment of sales prices

the client, in the hope of winning the plant business later. And there are a host of independent consultants, often retired experts, who work in a narrow

This has meant that CPC has to go out and search for business, a contrast with its early days. Then, the energy crisis had set off renewed interest in how to use coal, so that the company started off with high vigour on the basis of inquiries for the technology at its command.

It had an initial large contract with Nova Scotia Power in Canada, which is still running. This led to the establishment of offices in both Canada and the U.S., where CPC has done work for oil companies like Texaco, Sun Oil and Mobil especially in the anti-pollution area.

In all CPC has worked in 12 countries from Hungary to Colombia and from Australia to Zimbabwe. But the initial burst of activity tapered off. Only now is business beginning to pick up

This results from a change in marketing strategy. "I came into this organisation in a commercial role," explained Mr Grey, once with BP Shipping. "My logic was that we had not



done a great deal of work in Northwest Europe which has a high energy requirement satisfied by imported oil." So that area became the first target.

But it was not a target which could be hit with regularity. The area has been in recession: capital spending involved with a shift from oil to coal usage. And then CPC hit the basic problem that the area does not have the facilities to take in large quantities of imported coal.

So CPC

are those in southern Europe Australia, while investigating where some countries had the possibilities in Greece.

access to finance from international institutions as they looked for options to reduce balance of payments difficulties caused by high oil prices.

Second CPC looked at coun tries rich in resources. Thus it sought orders in Australia. winning for example a contract with Kembla Coal and Coke to provide technology on the best means of utilising the gas re-leased in longwall mining.

CPC likes to sign collabora-tion agreements with companies or institutions. These clearly put the relationship on a more permanent footing than a simple consultancy contract. It has had some success in this area. It has an agreement with the research establishment at Studsvik, near Stockholm. Studsvik needed coal technology, at least

In Italy, CPC has reached agreement with Tecnit, which will make CPC services avail-So CPC had to widen its able in that country. And the effort. It looked at two different types of countries. First there

Agencies.

By Alekander Lebi in Beigrad

the federal Parliament, call for a GDP growth of per cent, a rise in indust production of 3.5 per and a 4 per cent rise in a cultural productions.
In order to reduce imports
essential fuels raw mater
and intermediate produ

purchases of foreign eq ment are to be reduced half and foreign consu 2000s cut back to a minim' the annual plan said.

China adjusts tariffs

PEKING - China is raising the total, it said. import duties on machinery and equipment it manufactures and reducing tariffs on some products leather, pulp paper, material for light industry, the raw material for the energy official Xinhua news agency

The duty will be reduced on imported rubber, timber, timber industry some machinery and equipment, parts and acces-The changes which became sories for light industry, and effective on January 1 are for textile manufacturing. 149 tariff items, 16 per cent of AP-DJ

WORLD ECONOMIC INDICATORS

		OH THE	O I MEIA I		
		Dec. '81	Nov. '81	Oct. 381	Dec. '80
UK ·	000s	2,940.7	2,953.3	2,988.6	2,244.2
	%	12-2	12.2	12.4	9.3
W. Germany	000s	Nov. '81 1,490.0 5,7	Oct. '81 1,365.9 5.2	Sept. '81 1,256.4 4.8	Nov. '80 967,5 3,7
France	000s	2,016.2	2,001.9	1,912.1	1,613.0
	%	8.9	8.8	8.4	7.1
Italy .	000s	2,112.4	2,119.3	2,015.6	1,816.1
	%	9.5	9.5	9.1	8.2
Netherlands	000s	443.2	427.2	413.ī	296.7
	%	8.5	8.2	7.9	5.7
Belgium	000s	518.4	576.7	519.4	425.3
	%	12.8	12.7	12.8	10.5
U.S.	000s	9,409.0	8,520.0 [:]	7, 966.0	7,946.0
	%	8.4	8.0	7.5	7.5
japan	000s · % ·	Oct. '81 1,220.0 7.1	Sept. '81 1,200.0 7 1	Aug. '81 1,150.0	Oct. '80 1,130.0

tourist industry, mainstay of its Minister, Mr Maxime Ferrari, economy, has made an un-said, and "most of December expectedly rapid recovery after was a disaster." 25, a Government Minister said hotels had been full and the West Germany and Sweden had Tourism fell more than 50 Government now thought it unagreed to contribute towards. per cent following the airport likely tourism would sustain paying gun battle with invading mer- the \$20m loss it had originally Reuter

However, in the last week all he said, adding that the EEC.

improvement in sales prices. Swiss metals and machine - building industries Brothers. Writing in an annual with a corresponding effect on half of total merchandise exports. Engineering products also make up over one-third of says business was generally all Swiss import value. Foreign satisfactory, with foreign orders demand and foreign competiabove what many companies tion within the industry are, had been expecting, but cor- therefore, of great importance At the same time, there was porate earnings were not satisfor the development of the country's overall trade balance.

economy tending to prevent an

Seychelles tourism rebounds sharply

For 1981, Herr Frauenfelder

the aborted coup of November

VICTORIA - The Seychelles cenaries, Economic Planning

Repairs at the international airport, where battle damage was \$2m, were almost complete, agreed to contribute towards expressed surprise that the paying for the repairs there.

SHIPPING REPORT Markets show little sign of improvement in rates

BY ANDREW FISHER, SHIPPING CORRESPONDENT SHIPPING MARKETS began the mid-November level. the New Year with little hope of any marked improvement in rates, which have been

both the tanker and dry-cargo Tanker-chartering activity has remained slack, while indications on the dry-cargo side are that business is likely to continue dull for some time. According to E. A. Gibson, shipbrokers, some 24m dwt of

tankers were laid-up in mid-December, slightly more than in the previous month. Of this, over 18.5m tonnes was in the VLCC (Very Large Crude Carrier) category of more than 200,000 dwt, representing 62 ships. Gibson

"One can only conclude that owners are taking a lot more time to deliberate over whether depressed for some time in to commit their vessels to what nowadays proves the costly exercise of immobilising ton-

But Gibson said its figures also showed that over on dwt of tankers being used for storage had been released back to their owners in recent weeks. Altogether, some 9.2m dwt is involved in the Japanese Government storage programme and a further 11.2m dwt used for storage elsewhere.

The return of tonnage to owners from storage, com-mented Gibson, "will naturally add to the tremendous surplus that already exists and therefore, can only point to an risen by more than 1m dwt from accelerated rate of laying-up.

watch sales rise but value falls TOKYO — Reflecting

Japanese

strong demand from deve ing nations, Japan's exp of mechanical watches expected to reach 37.2m u for 1981, ahead 12.3 per over the previous year, in value, they will be d 0.5 per cent at Y81. (198m) said the Japan C. and Watch Association. Provisional figures for the year show a rise in volumed waite of analogue qu watch sales, reaching 27.1 units, up 69.2 per cent, Y203.6bn, ahead 70.2 per c respectively. But digital quartz watches have fallen either in volu and value, amounting 18.96 units, up only 0.7 cent, and Y77.1bn, off 8.9

Meanwhile, clocks will be booth in volume and vareaching 37.4m units, ah 8.7 per cent and Y55.4bn, 20.3 per cent due to a in prices and exports finished products.
The association also sees full output of watches 1981 to reach 106.2m ur up 20.8 per cent over 1: but in value would be up only 8.3 per-cent to ¥415.

Yugoslavian exports push

YUGOSLAVIAN exports cent in real terms this N and the country sims to duce its balance of paym deficit to \$500m from \$ \$1.85n in 1981. The forecasts, contained in 1982 plan passed last weel



Truck industry 'may never recover'

THE UK COMMERCIAL vehicle Continental manufacturers' comindustry may hever recover petitiveness on world markets
from this recession, DRI widened very rapidly in 1980
Europe, the former Economic
Models for existing group, 52ys
in its latest European Trucks

"Thus UK salesmen found
their German and Japanese

The UK continues to be the "blacks of Europe" both from the point of view of pro- Leyland reported seeing the duction and demand.

" Arthough demand should be re established at viable levels by 1983, the benefit to domestic producers is limited by rising

impert penetration.

"The UK is expected to continue to be an expensive base from which to export so a reversal of recent losses of

at a report which says Britain continues to be the black spot

of West Europe from the point of view both

of output and demand export market share is unlikely,"

This position is not caused

solely by the collapse in demand at home and in Europe. The industry failed to capita-lise on the rapid expansion of overseas markets outside Europe in 1980 and 1981 so "alone among the major European producers faces double pressure from at home and abroad."

the report says.

Historically the UK has exported a high proportion of its production outside Europe. Even in 1979—a year of weak demand abroad and following. about 30 per cent of produc- sation grows. beyond Europe.

One of the chief reasons for the failure to shift production to export is, of course, the grow-UK producers have experienced since the pound assumed the role of petro-currency," the

'Very high rates of increase market are high." in domestic costs have failed to "European Trucks Forecas be reflected in a commensurate Report," DRI Europe, 30 Ou

their German and Japanese counterparts able to export profitably at prices much below those they were able to quote. price of Japanese and German vehicles drop by as much as 11 per cent white British truck prices rose by up to 34 per cent.

"Not supprisingly a great deal of market share has been lost. Our forecasts suggest that much of this disadvantage in cost competitiveness in export markets will be retained."

The study indicates that much of the industry's fate lies Kenneth Gooding looks with the minumational for ducers which so far have remained more committed to their British commercial vehicle activities than to their car

operations.

However, "the recent collapse of the market and strength of the pound must be shaking that resolve.

As new models are intro-

duced a greater integration in Europe or worldwide production—to the disadvantage of the UK—can be expected."
DRI says its forecast shows

a bleak outlook for UK production, in spite of reasonable optimism for demand in the medium term. It predicts that output will rise by 14 per cent in 1982 to 284,310 vehicles following the 37 per cent drop in 1981 to 231,117. The next peak of production should be 298,972

The report covers seven Euro pean countries. It says the European truck industry will change rapidly in the next five or six years because there are too many manufacturers and too much capacity.

"The key strategy for survival years of declining market shares is to look to exports as specialition was destined for markets increase export orientation will commit manufacturers to declining shares of flat markets.

"The truck market conform to the archetypal picture of a ing cost disadvantages which highly competitive market-low growth, high number of sellers low product differentiation, With. such a demand scenario, the risks to participants in the

DRI Europe, 30 Old

weakening of the exchange rate. Queen St., St. James's Park, The gap between the UK and London, SW1H 9HP. £400. Scania buys its biggest distributor in Britain

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

SCANIA. THE Swedish truck tinue as a Scania distributor. manufacturer; has acquired for of its vehicles in Britain

Mr Ray Fisher, the previous Scania (Great Britain) said owner of Scantruck, was one of the purchase was consistent three dealers who introduced with the parent group's interthe Scania trucks to the UK in national policy of in terms of trucks sold. He said the depressed state interests any further.

of the British truck market— Mr Christopher Robinson, down by more than half in the aged 39, has been appointed

the market to get back to reasonable levels. I am now 63

he wanted Scantruck to con- back-up service there."

Scantruck covers the South Scantruck, the largest distribu- East, East Anglia and most of the home counties

1966 and built up-his business involvement in the retail so that it is probably Scania's market. It is not the intention biggest distributor in the world or policy of Scania (Great Britain) to extend its retail

past two years—played a part general manager and managing in his decision to sell. "I believe it will take and will work alongside Mr another two years at least for Fisher until the end of 1982, when Mr Fisher retires.

Mr Robinson moves to Scanand, frankly, I did not want to truck from Malaysia, where he go on working that long." Mr was general manager of Wearne Brothers automotive operations Mr Fisher had turned down approaches from people who Road Trucks, its distributor in wanted to distribute other Northern Ireland, "to make manufacturers' vehicles because sure customers get a continued

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Way 4, 1982 By: Citibank, N.A., Agent Bank **CITIBANK®**

Economic Better days ahead for chemicals recovery

Employment

BY RAY DAFTER, ENERGY EDITOR

BRITAIN's chemicals industry is set for a major recovery over the rest of the 1980s, according to a report published today by Cambridge Econometrics.

should mean

GDP rise'

Modest economic recovery is

expected to lead this year to a rise of 1.7 per cent in

Britain's gross domestic pro-

duct, after declining 2.8 per

cent and 2.6 per cent respec-tively during 1980 and 1981.

according to the Cambridge

The recovery is expected to

result from an end to the running-down of industry's stocks and a rise in export

The forecasting group

ment of applied economics-

foresees no continuation of

the recent rapid spurt in

Productivity is expected to decrease by 2.7 per cent

across the economy as a whole this year. However, there is little prospect of industry ever achieving Japanese style

productivity growth. As the rate of redundancies begins to

ease off, the rise in produc-

tivity is expected to slow

dramatically and to increase at only 1.5 per cent annually from 1983 onwards.

3m mark early in 1982 and is expected to average 3.2m

Unemployment will pass the

Econometrics forecast.

Chemical companies, which have been particularly hit by the economic recession, can expect output to grow by over 30 per cent in the 1980s-faster than nearly every other manufacturing sector.

Increased exports should be the "main engine" of this recovery, says Cambridge Econometrics, the commercial wing of the Cambridge Growth Project—a 20-year research venture in Cambridge University's Department of Applied Economics.

Chemicals exports are forecast to grow by an average of the commercial arm of the just under 9 per cent annually Cambridge Growth Project at over the next four years. Cambridge University's depart-But chemical companies will

also feel the impact of a slow in the following three years.
recovery—beginning this year—
Statistics produced by the

UK CHEMICALS INDUSTRY GROWTH PROSPECTS (annual % change) . 25 - 42 9.8 5.9 Total demand 10.0 4.7 4.6 **— 7.9** 9.6 5.5 15.74 Industry Price

Source: Cambridge Econometries and Government statistics

of the British economy and forecasters indicate that growth that the chemicals sector was manufacturing base in general, says the report. As a result. expected to rise by 2.6 per cent number of employees of between 4.5 and 4.7 per cent

in output is unlikely to be accompanied by an overall inin 1982 and at an annual rate expected to decline slowly for most of the 1980s as companies seek greater efficiency. Cambridge Econometrics says

production is crease in employment. The from the drop in output experi-rise by 2.6 per cent number of employees is enced in 1980. Growth in output last year is estimated to have been 0.8 per cent, as against a drop of 7.9 per cent in

Tap control 'could save hot water worth £30m'

BY MAURICE SAMUELSON

FOR THE past 18 months eight its maximum water flow from hot water a year which at plumbers from Merseyside have about 20 litres a minute to about present goes down the drain. carried on a campaign to cut five.

They do so by inserting a buildings these plastic tubes heating and plumbing engineer, earned about £100,000 attending cheap plastic cylinder into an would save the country the and Mr David Ellis, 37, a busi- to 42,000 taps in the past yearordinary half-inch tap, cutting equivalent of £30m worth of nessman who owns a chain of

The plumbers, working in energy bills by reducing the amount of hot water wasted in schools, hospitals and other public and private buildings.

The planters, working in four teams of two, are employed by Flow Control, a small Wallasey company set up in May 1980 by Mr Michael Rice, 33, a 1980 by Mr Michael Rice, 34, a 1980 by Mr Michael Rice, 35, a 1980 by Mr Michael Rice, 36, a 1980 by Mr Michael Rice, 36, a 1980 by Mr Michael Rice, 36, a 1980 by Mr Michael Rice, 38, a 1980 by Mr Micha

Mr Michael Lawson, 39, who was with the rates recovery department of Wirral Metropoli-tan Borough Council, has joined

So far, the company has earned about £100,000 attending

Incomes policy essential for jobs'

By David Marsh

policy, probably combined with devaluation, would he the essential for a return to full employment, according to Mr Terry Barket, an at Cambridge economist University.

In Lloyds Bank Review, he says alternatives to present public sector investment and removal of the national insurance surcharge -- are not

The five-year \$24bn public investment programme put forward by the TUC would create only about 300,000 jobs by 1986. Removing the surcharge might add an extra 150,000 to 200,000.

Mr Barker says the only measure which would conceivably create much more employment under present economic strategies would be a depreciation of sterling.

He suggests an effective de valuation of 30 to 40 per cent in 1981-82, maintained over the next two years to gener ate an extra 1m johs. Such a depreciation would have to take place without the offset substantial extra wage of substinflation.



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Action on Gill payout considered

BY JOHN MOORE

who have invested in Associated losses of £8m for the first half Communications Corporation, of its trading year. No dividend the entertainments conglomerate that is to give a record £700,000-plus payout to Mr Jack chairman holds 27.6 per cent of Gill, its former managing directhe voting shares. Mr Gill holds for, have approached the Bank another 15 per cent. of England for advice on how they can protest.

possibility of legal action. per cent of Associated's non- shares and a block of voting powerless at meetings to influence group decisions.

The payment to Mr Gill has by the Bank of England itself.

ANGRY pension fund managers come when Associated revealed was declared.

Associated's one for us.' Lord Grade,

the Australian entrepreneur They are also exploring the who has just become a director of Associated, holds nearly 51 Pension funds hold about 8 per cent of the non-voting "A" shares and are shares representing 3 per cent. No action in the affair, which

has caused a City row, is likely

action, one fund manager said: "We are obviously looking at the legal side, but it is a tough

director, is expected to use the shares he owns or influences-Mr Robert Holmes a Court, about 9 per cent — to vote against the Gill compensation payment when approval is sought at an extraordinary general meeting on Friday.

Little is likely to be achieved. undertaken to Mr Gill to vote support that proposal.

On the possibility of legal in favour of the first resolution (a cash payment of £560,000 to Mr Gill) in respect of their personal shareholdings, amounting in aggregate to 67,990 ordinary

Lord Matthews, an Associated £1 shares (which is equivalent to 45.3 per cent of the issued ordinary £1 share capital of the company)."
On the question of the sale of a company house, Lord Grade

has proposed that Mr Gill be allowed to buy the house, with a market value of £275,000, for Lord Grade told shareholders £165,822. Lord Grade has given in a letter last month that no indication of how many vot-"certain of your directors have ing shareholders are likely to

Unions likely to back Foot at Labour 'rescue' meeting

MR MICHAEL FOOT, the Labour leader, is expected to Mr Tony Benn from contesting the party leadership or deputy

leadership this year. Senior MPs and general secretaries of the most powerful

Mr Foot has insisted in recent financial support has been its The meeting is also expected internal wrangling, particularly to concentrate on working out a that generated by Mr Benn's fundraising and cost-cutting prodecision to contest the deputy leadership last year.

believed the meeting at Bishops Stortford, Hertfordshire, would be "helpful" in ensuring that

there is no contest this year. Mr Benn has indicated that be considers himself de facto deputy party leader. A group of his supporters plan to meet on January 23 to consider their tactics, including a possible campaign for the leadership or

Mr Foot's supporters hope that even Left-wing union general secretaries will warn Mr Benn

he cannot count on support. The meeting is also expected to concentrate on working out a estimated £10m financial needs

Tight curbs on tobacco sponsorship

unlikely

GOVERNMENT is expected shortly to agree a new code of practice covering tobacco companies' sponsorship of sporting events, but it is likely to be broadly similar to the existing agree-

The accord is almost certain to raise a storm of protest from anti-smoking pressure groups and medical

organisations.
Mrs Renee Short, chairwoman of the Commons
Select Committee for Social
Services, said yesterday: "We are getting messages that the Government intends to let things stay as they are."

She pointed out: "Cigarette smoking costs the National Health Service enormous sums of money each year in smokingdealing induced conditions like bronchitis, heart disease, and

lung cancer." Sports sponsorship by tobacco companies is worth an estimated £4.5m annually.

Haughey Ulster call

MR CHARLES HAUGHEY, former Prime Minister of the Irish Republic, called on Britain yesterday to withdraw its guarantee that Ulster would remain part of the UK until a majority of the people in the province wanted otherwise. A united Ireland was the only way ahead, he said.

Silkin Rock talks

sition defence spokesman, is to visit Gibraltar this week for talks on the Government's decision to close its Royal Navy dockyard next year. He said yesterday the Tories' would lead to massive unemployment there.

ONE PATIENT in five does not collect the medicine the doctor has prescribed, a survey has revealed. Lower-income manual workers were the least likely to redeem pre-scriptions, possibly because their main purpose in going to a doctor was to get a sick note, Dr Aly Rashid, of Manchester University, writes in the British Medical Journal. He undertook the survey in Preston, Lancashire.

Engineering's £26m structural at Darlington, County Durham, is due to come onstream this morning, four months ahead of schedule. It follows the closure on December 18 of the company's 104-year-old Smithfield Road works.

Modest house-building recovery

BY MICHAEL CASSELL

A FURTHER modest recovery in private sector house building is indicated this year, according to the House Builders' Federa-

It says a survey among 280 contractors which build about half of the new homes in England and Wales, shows that just over 70 per cent expect to maintain or improve their 1981 output.

Estimates suggest that nearly 120,000 private sector homes were started last year against 98,000 in 1980, one of the lowest levels since the last war.

According to the federation, the brightening prospects are reflected in employment ex-

77 per cent expect to maintain or increase their on-site labour force in 1982.

In the last three months of 1981 demand for new housing from both owner-occupiers and first time buyers fell back.

The federation says, however, there is evidence that the incentives offered by the larger house-builders is helping to maintain demand.

The problem of chains caused by inability to sell existing homes, together with the overall lack of confidence among

pectations, particularly among contractors building more than main constraints on demand for main constraints on demand for new houses. The third influence, according to the federation, to concern about mortgage repay

Mr Roger Humber, federation director, said: "Although ther are some signs of recovery, the results do not point to an consistent pattern within the are obviously better able tha others to deal with the current

market satuation. "A full, sustained recovery throughout the industry will depend upon a fall in interest rates and a rise in real earl-

Rain and warm weather cause widespread floods

MANY PARTS of Britain were evacuate 200 people from a hit by bad weather again yester-housing estate near a canal.

day. There were floods in Conditions were easier in Cumbria, Gloucestershire and West Yorkshire, and in Scotland roads were closed by both flooding and snow drifts.

Heavy rain and warm weather, which melted the snow, swelled rivers in many parts of the country. Several overflowed, including Severn, Type and Ouse. There were flood alerts for a long stretch of the Wye, and for several rivers in Wales.

The A417 was blocked near Cloucaster and some trunk routes were closed in West Yorkshire. At Castleford the was standing by to

Conditions were easier in South Yorkshire. Temperatures fell sharply in

Scotland, and snow blocked roads in the Grampians and in the Elgin and Benff areas. The Automobile Association warned rapidly deteriorating conditions

The London Weather Centre said a belt of rain was passing eastwards across England and Wales. It is expected to be followed late today by another belt of rain turning to snow which will move south from Scotland. The centre said most of the flooding was probably caused by melting snow. Weather forecast Back Page

win trade union backing this week in his attempt to prevent

unions meet tomorrow and on Wednesday to discuss ways of rescuing the party from looming financial and political disaster. weeks that the main cause of the party's flagging electoral and

yesterday, Mr Foot indicated he

deputy leadership.

gramme to cover the party's Interviewed on BBC radio up to and including the next

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Bank of Helsinki Ltd.

Kansallis-Osake-Pankki

OKOBANK Osunspankicien Keskuspankici Oy

Scandinavian Bank

J. Henry Schroder Wagg & Co.

Skandinaviska <u>Enskilda Banken</u>

Société Générale de Banque S. A.

Schröder, Münchmeyer,

Schoeller & Co.

Hengst & Co.

Smith Barney.

Société Générale

Harris Upham & Co.

Williams, Glyn & Co.

Wood Gundy Limited

Wärttembergische

aichi International (Europe)

Skopbank

Algemene Bank Nederland N.V. B.S. I. Underwriters Al-Mal Group Anno International Limited **Arab Banking Corporation**

Baden-Wurttembergische Bank Aktiensesellschaft Badische ale Landesbank

Bancz Commerciale Italiana Banca del Gottando

Bank of America International Bank Mees & Hope NV Bank of Tokyo International

Bankers Trust GmbH Banque Bruxelles Lambert S.A. Banque Générale

du Limembourg S.A. Banque de l'Indochine et de Suez Banque Internationale à Luxembourg S.A.

Banque Nationale de Paris Banque de Neuflize, Schlumberger, Mallet Banque Nordeurope S.A.

Banque de Paris et des Pays-Bas Banque Populaire Suisse S. A. Banque Scandinave en Suisse

Baring Brothers & Co., Limited

Bayerische Hypotheken- und Bayerische Landesbank

Bayerische Vereinsbank Bergen Bank Berliner Bank

BHF-BANK Internations

BHF-FINANZ, AG

Christiania Bank og Kreditk

Citicorp International Group

Critit Commercial de França Credit Salsse First Beston Creditanstalt-Bankverein Daiwa Enrope Limited

tichard Dans & Co., Deutsche Länderbank Deutsch-Skandinavisch

Bank AG Dresdner Bank Effectenbank-Warburg

European Banking Company Genossenschaftliche Zentralbank AG -- Vienna Antony Gibbs & Sons Limiter

Girozentrale und Bank der sterreichischen Sparkassen ktiengesellschaft Hamburgische Landesbank -Girozentrale -Hessische Landesba<u>nk</u> - Girozentrale indostriebank von Japan

Kidder, Pesbody International Limbed

(Deutschland)

Union Bank of Finland Ltd. Krediethank N.V. Kredietbank S. A.

Bankhaus Hermann Lampe Konmanditgesellschaft idesbank Rheinland-Pfalz Landesbank Schleswig-Holstein

Girozentrale London & Continental Rankers Ltd. LTCB International Manufacturers Hanover

Merck, Finck & Co. Mentil Lynch B. Metzler seel. Sohn & Co. Mergan Granfell & Co.

Morgan Guaranty Ltd. Middenstandsbank N. V. The Nikko Securities Co., (Enrope) Ltd. Norddentsche Landesbank Girezentrale

Nordfinanz-Bank Zarich Nordic Bank Limited Österreichische Länderbank

Pierson, Heldring & Pierson N. V PKB Investments Limited Postipankki Privathanken Rabohank Nederland

Sarasin International

Securities Ltd.

Saciété Générale Strauss, Turnbull Ltd. Sparbankernas Bank Svenska Handelsbanken Swiss Bank Corporation International Limited Trinkans & Burkhardt Union Bank of Norway Ltd. Union Bank of Switzerland (Securities) Limited Vereins- und Westhank Aktiensesellschaft S. G. Warburg & Co. Ltd. M. M. Warburg-Brinckmann. Orion Royal Bank Limited Westdeutsche Landesbank Westfalenbank

Steel factory ready

MR JOHN SILKIN, the Oppo-"misguided" defence strategy

Prescriptions waste

CLEVELAND Bridge and

EELUMMUS

NEW HEADQUARTERS location at **NORTHAMPTON**

The Lummus Company Limited is moving from London to Greyfriars House in Northampton, to allow for future growth.

> As from January 4, 1982, our headquarters address will be

P.O. Box 41, Greyfriars House, Lady's Lane, Northampton NN1 3HZ.

Telephone — 0604 29622 Telex — 312551

(Member of The Combustion Engineering Group)

WORLD VALUE OF THE POUND

PLACE AND LOCAL UNIT

PLACE AND LOCAL UNIT

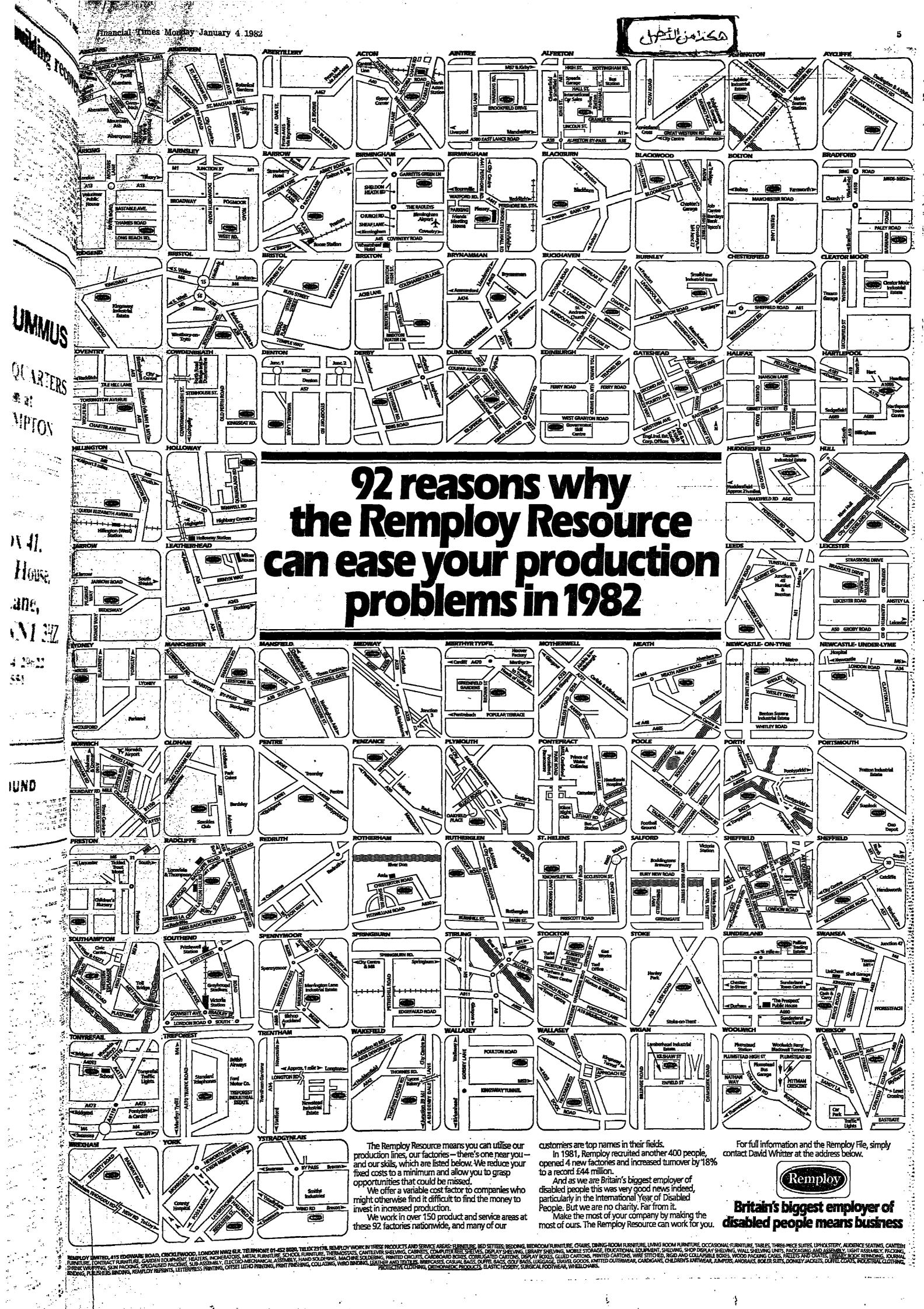
VALUE OF £ STERLING

no direct quotation svallable: (F) free. rate: (P) based on U.S. doller parties and going starling/dollar rates; (S) member of the starling area other than Scheduled Territories; (T) tourist rates

VALUE OF

PLACE AND LOGAL UNIT	& SIERLING	PLACE AND LOCAL UNIT	# STERLING	PLACE AND LOCAL UNIT	& STERLIN
AfghanistanAfghani	99.0	Greenland Danish Kroner	13.94	ParuSol	exe (A) 965.
Albenia Lek	10,12	Grenada (S) E. Caribbean S	5.16	Philippines Philippine Peso	16.35
Algeria Diner	7.9770	Guadaloupe Local Franc	10.88	Pitcairn Islands (S) Sterling New Zealand \$	
Andorra	10,88	Guartamain U.S. 8	1,9100	New Zealand \$	2,3175
(Spanish Peseta	183,75	GuatemaiaQuetzal Gulnea Republic Syli	1.9100 40.45	Poland Zloty	((Cm)66 96
Angola Kwanza	(CMD 62,936	Guinea Bissau Peso	72,10	Bodynasi	(T)56,96
Antigua (S) E. Carlbbean \$	5.16	Guyana (8) Guyanesa \$	5.7455	Portugal	124.50
•					
Argentina Ar. Peso	20,108.0(3)	HaltlGourd	9,55	Qatar (5) Qatar Ryal	6,97
Australia (S) Australian \$	1.6940	Haiti	3.B4	Reunion He de la French Franc	10,88
Australia (S) Australian \$ Austria	30,07	Hong Kong (S) H.K. S	5,94 10,7880	RomaniaLeu	((Cm)8,15
AzoreaPortugu`se Escudo	124,50	Hungary Forint	65,035311	Rwanda, Rwanda Franc	l(n/c) 20,01
Bahamas (S) Ba, Dollar	1,9100		40 napatt		178,79
Bahrain (S) Dinar	0.722	landand m	11	St. Christopher (8).E. Caribbean 5	5.16
Balearic Isles Spa. Peseta Bangladesh (S) Taka	183.75	iceland (S) i. Krona	15,558	St. HelenaSt. Helena £	[_ I.O
Bangladesh (S), Taka	37,75	India (8) Ind. Rupea Indonesia	17,25	8. Liicia E Carlbbean \$	5.16
Barbados (8) Babados \$	3,8200	I Iran Oisi	1,200,15 150,50(sg)	St. Helens	10,88
Belgium B. Franc	(cm) 73.40	Iraq Dinar Irish Republic (k) Irish &	0.55625		5.16
Belize B 5	(fp) 81.05 3,8200	Irish Republic (k)., Irish &	1.2080	Sahrador El Colon Samoa American U.S. \$-	4.78
Benin C.F.A. Franc	544.0	l iði 20i Shekel	29 90	San Marino	1,9100
Benin C.F.A. Franc Bermuda (S), Bda S	1,9100	Italy Lira Ivory Coast C.F.A. Franc	2.292.0	Sao Tossa & Prin Dobra	2 298.0
Bhutan Indian Rupee Bolivia Peso	17.25	IVOIY COAST C.F.A. Franc	29.90 2,292.0 544.0		74.15
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Bulgaria Lev	1,7725	KampucheaRiel	2,292.0	Somali Republic Somali Shilling (1) Somali Republic Somali Shilling (2) South Africa (5)	1.6975
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ChihaRenminbi Yuan	5.3557	Liochtenstein Swiss Franc	a.435	Swaziland (8) Lilangen	1.8285
Colombia G. Peso	(F) 112.82	Luxembourg Lux Franc	78.40	Switzerland Switzerland Switzerland	10.54
Comoro Islanda C.F.A. Franc Congo (Brazaville) C.F.A. Franc	544.0	Macao		Switzerland Swiss Franc	3.435
Costa Rica Colon	544,0	Madeira Postusia	11.30		(A)10,0
Cuba Cuban Peso	38,25 1,5260	Madeira Portug'se Escudo Malagasy Republic MG Franc	124.50	Taiwan	68.78
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gypt Egyptian £	l(F) 62,45	MongoliaTugrik	10,88 .	Uganda (5) Uganda Shiiling United States U.S. Dollar	1.9100
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Falkland Islands(S) Falkland is. &	1.0		1. 95.35 1	Utd.Arab Emirates U.A.E. Diritam	1.3570
Faros Islands Danish Krone	13.94	Nepal Nepalese Punes	1,6940.	obbei Anim C.L.Y LISUR	544.0 :
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France French Franc FrenchC'tyin AF C.F.A. Franc	10.88	New Zealand (S) N. Z. Dollar	3,4190 2,3175		2,292.0
rench Guiana Local Franc French Pacificis C.F.P. Franc	544.0	Nicaragua	19.10		8.19
rench Pacificis C.F.P. France	10.88	Niger Republic C. F. A. Franc	B44∟∩		(0)4.15
	. 195 (sg)		1.205446(sg)	Virgin Islands U.S. U.S. Dollar	(0)4.15 (1)4.31(11)
Gabon G.F.A. Franc	544.0	WO WAY " NOTWAY KIONA	11.07		1.9160
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10.385178 1.6730 1.3850 "That part of the French community in Africa formerly French West Africa or French Equatorial Africa exports 80.20. **Rete is the transfer market (controlled). #Thow one official rete. (U) Unified rate. bilaterial agreement with Egypt and who are not mambers of IMF. (5) Based on gross rates against Russia (2) Exports. non-essential imports and transfers. (3) Now one rate.



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Duple 1nt. 1.5p.
Duple 1nt. 1.5p.
E15 Grp. 1.072p
Fedder Agric. 1nds. 0.5p
Fergason Inds. 2.2p
Fuller Smith Turner 5p
Gers Gross 2p
Gers Gross 2p
Green (R.) Props. 1.8p
Highland Dists. 1.80
House of Fraser Da. 4pe
Jessups (Hidgs.) 1s
M and G Fund Inv. 7st. Inc. 1.4p
Meilins 10pc Pr. 7pc
Merryapma Wine, 10
Mecklit Colman 1.5p
Rio Est. 1p
St. John D'el Rey Minlog Socis
Do. 10pc Pr. (Free of Inc. 7au) 23cts
Samuel Props. 3.1p
Sungel Best Mines Minlog Socis
Verennigung Refractorien 28cts
Wedstwood 1.75p
Wimpey (George) 0.85p
Wimpey (George) 0.85p
Wimpey (George) 0.85p
Company Metings
George Street Hull, 12.00
Moben Gra. Migsad Hotel, Peter Street,
Manchester, 19.30
BOARD MEETINGS—
Finals:
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Lowe (Robert M.)
DIVIDEND & INTEREST PAYA
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Boots 2.875p
Brown Shipley Hidgs. 2.75p
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Contury Oils 1p
Cope Allman Int. 2p
Cradley Printing 0.82p
Crail Rose 8p
Dushill Affred 5p
Evans of Leeds 1p
Evtel Gro. 2.5p
Gen. Scotch 1st. 1p
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Ho

EXHIBITIONS

Truro

Harrogate

Olympia ...

Dusseldorf

Bahrain

Dubai Utrecht

Helsinki

Cologne

Munich

Whites Hotel, W2

Centre Point WC1

Europa Hotel, W1

Regents Park, NW1

International Hotel, SW5

Bowater Conference Centre, Knightsbridge

Selsdon Park

Café Royal, W1

Piccadilly, W1

Castbourne

Mount Royal Hotel, W1

Portman Hotel, WI

Grosvenor House, W1 Tower Hotel, E1

Inter-Continental Hotel, W

Kensington Hilton Hotel

Churchili Hotel, W1 Inter, Continental Hotel, W1

Grosvenor House, W1 NEC, Birmingham

NEC, Birmingham

Winter Gardens, Eastbourns

Kensington Exhibition Centre

Earls Court Exhibition Centre, Harrogate

Barbican Exhibition Centre

Exhibition Centre, Bristol

Wembley Conference Centre

EXHIBITIONS

UK NEWS-LABOUR

ASTMS accuses rival of unfairly recruiting insurance workers

BY BRIAN GROOM, LABOUR STAFF

brewing in the hard-fought ably in February or March. campaign to represent insurance Scientific, Technical and Managerial Staffs claims there is a growing prima facie case" that the rival Banking, Insur-ance and Finance Union is breaking TUC rules on recruit-

Mr Peter Kennedy, an ASTMS 'national officer, said his union Is considering action in specific cases. These are likely to be the Evdinburgh-based Standard Life Assurance and the Liverpool-based Royal Liver Friendly

Bifu expects to expand its insurance company membership of 22,000 this year by bringing in members at Royal Liver and in Scottish Life offices.

The executive committee of the Royal Liver and Composite Section of the National Union voted for a merger with Bifu, though they have neither a

A NEW inter-union clash is Members will be balloted prob majority in the grades con-Bifu claims this would bring The Association of it another 1,000 members, most of them field staff at Royal Liver, but including a smaller

> A ballot on merging with Bifu is also to be held among 500 members of the Scottish Equitable Staff Association, probably in March. Bifu has also had talks with the staff asssociation at Scottish Amicable and has had contacts with Standard

other companies.

the last of these, although still at an early stage. which has particularly annoyed ASTMS. It believes that Bifu may be breaking Principle Five the TUC's "Bridlington rules" on inter-union conduct. A note to this states that if a union wants to begin recruiting in an organisation, it should of Insurance Workers—a four-consult other unions which section union federation—has have members there, even

cerned nor negotiating rights.
ASTMS has rights to represent individuals at Standard Life's Edinburgh head office, and claims that Bifu is ignoring the number of employees at two

TUC rule. Relations between the two unions have been poor since Bifu started recruiting in insurance companies after changing its name from the National Union of Bank Employees in 1977. Since then it has brought staff associations at GRE, Phoenix, and Eagle Star under its wing

ASTAIS, which claims membership of 75,000 in insurance, has not made such large mergers recently, although it claims now to be close to an important merger. Mr Kennedy claims that ASTMS is successful in recruiting individuals, and that its insurance membership is growing by over 400 a month. ASTMS is affiliated to the Labour Party, while Bifu is not. Both belong to the TUC.

Farm men likely to vote for merger

BY INO DAWNAY, LABOUR STAFF

National Union of Agricultural and Allied Workers begin balloting this week on the proposed merger with the Transport and

General Workers' Union. The ballot papers are being distributed by the Electoral Reform Society with a strong recommendation by the NUAAW executive to vote in favour. The

MEMBERS of the 85,000-strong merger is likely to be accepted. cash benefits for members will Results of the ballot are due be replaced by the superior on January 26. In a letter to members, Mr

Jack Boddy, NUAAW general secretary, gives assurances that farm workers will continue to negotiate independently on policy and pay bargaining to £98,989, with a bank over-through a new TGWU division, draft of £22,594 and a deficit of He adds that the NUAAW's £5,500 at the end of November.

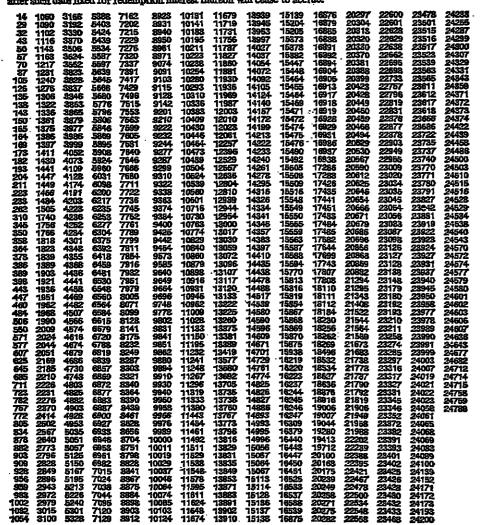
rates already being paid by the TGWU and points out the serious decline in his union's finances: in 1960 it had investments of £470,000, now shrunk

NOTICE OF REDEMPTION To Holders of

Azienda Autonoma Delle Ferrovie Dello Stato

834% Shiking Fund Bonds Due 1986 Direct and Unconditional General Obligation of The Republic of Italy

NOTICE IS HEREBY GIVEN that pursuant to Sections 4 and 6 of the Fiscal Agency Agreement and Sections 5 and 6 of Exhibit A dated January 15, 1971 between Azienda Antonoma Delle Ferrovie Dello Stato, "Issuer" with the intervention of the Minister of the Treasury of the Republic of Italy and Chemical Bank, "Fiscal Agent", the bonds bearing the following sarial numbers have been drawn for redemption on February 1, 1982 by operation of the Sinking Found at the Redemption Price of 100% of the principal amount thereof, together with accrued interest to the date thereof, and that from and after such date fixed for redemption interest thereon will cease to accrue.



The above simplered bonds will be redeemed at the principal onces of the Fiscal Agent, Chemical Bank and S. G. Warburg & Co., Limited in London, the main offices of Banca Nazionale del Lavoro in Milan and Rome, the main offices of Banque Lambert-Luxembourg S.A. in Luxembourg, the main offices of Banque Lambert-Luxembourg S.A. in Luxembourg, the main offices of First National City Bank in Amsterdam, Frankfurt am Main and Paris and the main office of Lavoro Bank A. G. in Zunich, upon surrender of such bonds for payment and cancellation.

TUC urged to defend part-timers

By Ivo Dawnay, Labour Staff

THE National Council for Civil Liberties has asked the Trades Union Congress to act quickly to defend the rights of part-time workers threatened with redundancy.

The council claims that all redundancy agreements between trade unions and managements that discriminate against part-time workers have been ruled illegal and should be renegotiated.

The move follows a recent ruling by a Birmingham industrial tribunal that companies which dismiss part-time workers before full-time workers are acting unlawfully.
In a test-case brought by the

council, the tribunal decided that Eley (IMI Kynoch), a munitions manufacturer, had acted contrary to the Sex Discrimination Act 1975 when it dismissed a woman part-time worker. The tribunal ruled that the woman had been unfairly dismissed and that she should be reinstated.

In a letter to Mr Len Murray, general secretary, the council has urged the TUC to ensure that no further agreements discriminating against part-time workers are nego-tiated and that existing redundancy agreements are rewritten. Ms Ann Sedley, the council's Women's rights officer, said: 'This ruling is a victory for all part-time workers who have been discriminated against for too long. It is now up to the TUC and all unions to ensure that part-timers get the full protection of their trade union and are not treated as second-class

London rail map updated

A NEW edition of the "London's Railways" poster poster map-with diagrams of Underground and British Rail networks—has been published by London Transport. The map is being posted at more than 800 British Rail and

Underground stations.

NatWest chairman

chairman of National West man in his place. minster Bank, has been appointed a member of the NATIONAL ECONOMIC DEVELOPMENT succeeds Jeremy Morse, Lloyds Bank, who has served as one of the Confederation of British Industry's six-strong team on the NEDC for the past four

Mr David R. M. Carnegle is appointed a director of BROWN-LEE from January 1.

Mr Robin Leigh-Pemberton, appointed non-executive chair-

Mr E. Norris retires on December 31 after almost 44 years' service with the HARTLEY COOPER GROUP. He will be succeeded as chairman of Hartley Cooper Holdings by Mr

Mr C. M. Evans has been appointed an executive director SEDGLEY STEELS from January 1.

At BRAID GROUP Mr W. C. G. Cartwright retires as managing director but remains on the board as a non-executive director and as deputy chairman. Mr T. J. Walton is appointed managing director. Mr S. A. Jones retires and Mr C. H. Bush (assistant managing director—North West Securities) is elected a nonexecutive director.

Two directors have been appointed to the FLEXIBOX INTERNATIONAL group. Mr David Lamb becomes inter national director, responsible for companies in Australia, Brazil, Canada, Japan, Mexico, Singapore and the U.S. He joins Flexibox from Brown Boveri Kent where he was a divisional marketing

director. Joining Flexibox as technical director is Mr Keith Wright, who moves from the Burmah-Castrol refinery at Ellesmere Port where he was technical superintendent

Mr Rory Sweetman and Mr Nicholas E. E. Siephens have become partners in ALBERT E. SHARP AND CO., members of the Stock Exchange, Birmingham.

Sir Hugh Lockhart Mummery has been appointed a director of the MEDICAL SICKNESS FIN ANCE CORPORATION. replaces Mr S. P. Meadows, who

Pursuant to Section 2.04 (I) of the com-pany's indenture dated as of August 1, 1981 under which the above Debentures were issued, notice is hereby given as follows:

follows:

The Company has made a free distribution of abares of the Company's Common Stock to shareholders of record as of December 31, 1931 in Japan at the rate of 1.5 new shares for each 10 shares beld. Accordingly, the convention price at which the above-mentioned Debentures may be converted into shares of Common Stock of the Company have been adjusted effective as of January 1, 1932, from Yen 1,532 per share of Common Stock to Yan 1,332.20 per share of Common Stock.

Yamanouchi Finar man in Tuest Company as Truster

Yamanouchi Pharmac

WEDNESDAY JANUARY 6
COMPANY MEETINGS—
Dupile Int. Connaught Rooms, Great
Queen St. WG. 12-00
BOARD MEETINGS—
Finalis:
MCCOTANOBILE
Internet Tozer Kemsley Millbourn (Hicts) 0.30
Transvari Const Land and Expira 99.88184p
USM GP 19
Uster TV A 3p
Usiter TV A 3p
Usiter TV P 3p
Usiter TV A 3p
Usiter T Erom and Tawse
Quest Autonation
Technology law, Tst.
DIVIDIAN & INTEREST PAYMENTS—
Anglo Metropolitan Q.Sp
Aquascurum Q.75p
BBA Gr. Q.84p
Buse Lircle Inds. La. 3kpc
Border Brewenes (Wresham) 1.4p
British Commonwealth Shipping Sp
British Inv. Tst. 4.2p
British Shoe Ln. 3kpc
Colman E. Alect. Inv. Db. 44mc
Contrauds 5pc Mr. 1.75pc
Do. Ln. 24pc
Delta Grp. Ln. 3kpc
East Midland Allied Press 1.15p
Findhorn Finance 44pc

Powell Duffyrn 4-7P
Pratt Cf. 1 Eng. Lit. 4pc
Samuel Props. Dh. 3-loc
Silkolene Lubricants 1.05p
Smith (W. H.) Son Dh. 4pc
Do. Lns. 2.565. 3-loc
Tarraic Db. 3:: 187-922 pc
Utd. Blazilis 2-25p
Utd. Carriers 1.2p
Whithread Lns. 3-8. 5-loc
THURSDAY JAMUARY 7
COMPANY MEETINGS—
Atlama, Baltimore Chicaso Resional Inv.
Tst. 57. Lombard Street. EC. 12.30
Jessups (Hidgs.) Winchester House. 77.
London Wall. EC. 12.00
Save and Proper Limited Inv. Tst. 4,
Great Sc. Neleps. Ec. 17.00
BOARD MEETINGS—
EDOARD MEETINGS—
EDOARD

Instrument Process of the Control of

WEEK'S FINANCIAL DIARY

are not always available whether dividends concerned are interims or finals.

The following is a record of the principal business and financial engagements during the week. The board meetings are mainly for the purpose of considering dividends and official indications

Plosts

Anglo American Inds.
DIVIDEND & INTEREST PAYMENTS—
Aberthaw and Bristol Channel Portland
Coment 4p
Advance Services Ord 1p
Allied Irish Banks FittyRateNts, 1987
591.39
Alloatt
London Und Party Warrington (Toomati) Sons 1.75p
Wellico O.69
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TOMORROW
COMPANY MEETINGS—
Greenband Street, Rurslem, Stoke-on
Trem, 12.00
AJAKH MEETINGS—
Flastic
Pleasurama
Witherbottom Energy Trust
Interims 9 London Props 15 Kidgs 2.275p Metal Cpn 5.4pcPf 2.7pc, 6pcPf Allhatt London Props 10
Allhate Hidgs 2.275p
Amigd Metal Cpn S.4pcPf 2.7pc, 6pcPf
2.1pc
Arenson (A.) (Hidgs) 0.705p
Arenson (A.) (Hidgs) 0.705p
BAT lads 8p
BICC 6pcPf 2.1pc. SignPf 1.925pc. Ob Bros 412pcPf 157.5p. 712xPf Deta Gip. Tissue Atlet Press 1.150
Findborn Finance Aluce
Francis Parker 0.25p
Hanger Inv. Db. 34pc
Harvey Thompson 0.7p
Highland Electronics Grp. 0.5p
Hinrad Ln. 34pc
Liovas Eurohance NV Gtd. Stg. Dollar
Fits, Rate Notes 1990 (34pc
Low (Wat.) 5.4p
Lynton Hidgs. 1.65p
Midland Marts Grp. 1.25p
Midland Marts Grp. 1.25p
Morgan Crucible Db. 44pc
200 Lps. 3.12875. 24pc
201 Lps. 3.12875. 24pc
Samuel Pross. Db. 34epc
Samuel Pross. Db. 34epc
Silkoskene Libertcants 1.05p
Silkoskene Libertcants 1.05p

shown below are based mainly on last year's timetable.

Baring Bros 4-jpcPf 157.5p. 7-jpcPf 2-625pc 8-azer (C. H.) (Hidgs) 4.5p 8-azer (C. H.) (Hidgs) 4.5p 8-azer (C. H.) (Hidgs) 4.5p 8-azer (C. D.) (Hidgs) 4.5p 8-azer McCouncil 1.375p, 4.2ocPf 2.1pc 8-azer (Fmly 5-box) RedPf 1982 1.25pc, 2.3pc, (Fmly 5-box) RedPf 1982 1.25pc, 2.275pc, 4.25pc (Fmly 6-box) RedPf 1983-85 2.07125pc, 4.25pc, 1980-82 2.275pc, 8-pcRdPf 1982 4.25pc, 1-rdh 2pc 8-azer 1.75p 8-azer 8-azer 1.75p 8-azer 8-azer 8-azer 1.25pc 8-azer Halma DIVIDEND & INTEREST PAYMENTS— Allies Landon Props 1.1s Aniso Scottish lav. Tal. 1.5p Aniso Scottish lav. Tal. 1.5p Aniso 2.2pc 1.2pc Aniso 2.2pc 1.2pc Bankers lav. Tal. Dh. 2pc Beciman IAJ 3.78s Border and Southern Stockholders Tst. 1.5p Sectiman (A.) 3.780
Border and Southern Stockholders
1.59
Brickhouse Dudley 0.950
British Assets 152, 1.050
British Assets 152, 1.050
Bullner and Land 1.655
Cape Inds. 1.59
Commercial Props. Dn. 1126
Consocidation 2.196 1496
Eleco Hidgs. 2.49
Exchequer Bluc 1983 4496
Exchequer Bluc 1983 4496
Exchequer Bluc 1983 4496
Finlay (James) 29
Fletcher Challenge 15pc Spec. Pf.
(N23)

Fletcher Chailenge 135C Spec. Pt. 1.

(NZS)

Do. 150c Spec. Pt. 17.5cts (NZS)

Do. 150c Spec. Pt. 17.5cts (NZS)

Do. 150c Spec. Pt. 17.5cts

Grattan 1.855g

Hambros 18v. 1st. 1p

Hambros 18v. 1st. 1p

Hambros 18v. 1st. 1p

Hambros 18v. 1st. 1p

Hestir (L. 18)

Do. 4.2ct Pt. 2.1pc

Old Swan Hotel (Harrogate) 0.4p

Ovenstone 1sv. 1.5cts

Philips Lamos FO.5

Reed 1nt. 48

Date

Current

Jan 7-17

Jan 19-22 Jan 20-27

Jan 24-27

Feb 9-12

Jan 8-14 .

Feb 10-13

Jan 25-29

Alcotta (Port of) Das 1953-83 2-inc.
SpcDbs 1954-84 2-inc
anital and Countles 1.2p
abital and Countles 1.2p
abital and Countles 1.2p
abra Aljen Hidgs 4.2875p
hamberials Phipps 1.1p
hille Spc (Now Spc) Ln 1905 (Assd) 2-inc.
4-inc (Now 3oc) Ln 1887 (Assd) 2-inc.
4-inc (Now 3oc) Ln 1887 (Assd) 2-inc.
4-inc (Now 3oc) Ln 1887 (Assd) 2-inc.
Javins Son 0.9317p
lavins Bros Ord and A 0.88p
olither Pope (Hidgs) 6pcPf 2.1pc
rown Zellerbach Con 57-5 cts
lalgety 11p
lavins Bacon A 2p
lavins (Godfrey) (Hidgs) 1.5p
ler La Rue 6.5p
le Vere Hotels and Rests 3p
letta Go. 1.82p
letta G. 1.82p
letta Go. Reed Int. 4b
Richardsons, Westparth 0.75p
Richardsons, Westparth 0.75p
Royal Insurance 9.75p
Royal Insurance 9.75p
Spear and Jackson 3.575p
Spear and Jackson 3.575p
Spearer Gears 0.55p
Sun Alliance and London Ins. 19.5p
Transpatienth: and Gen. Inv. 3.3p
Transpatienth: 1.5p
Yole Catto 11:cpc Pt. 5.75pc veer industry invs 3.5p

TODAY BOARD MEETINGS-

Sec 1 Industry Invz 3-5p Foeco Minsep 2.65p Francis Index 2p Glasso Hidgs, 7-5p Goberg Cons. 5p Gregorian West Diamond Mining 24cts Margine Goberg Cons. 5p Gregorian West Diamond Mining 24cts Hardwood Foods 7.5pcPtg.Pf. 2.625pc Hestari 19, 3p Hill Samuel 2.5p Hott Lloyd Intel. 1.5p Hott Lloyd Intel. 1.5p Huntley and Palmer Foods 2p. 3.65pcPf. 1.825pc, 5.6pcPf. 2.7pc Ingall Inds. 1.69p. Ln. 4pc Kelf-Pft (Tyres and Exhausts) 0.58Zp LCP Hidgs. 1.6p Lawtex 0.5p Lcp Hidgs. 1.6p Learn Ind. 84p Learn Inds. 8.4p Live Shipping 4.5p Live Shipping 6.5p Live Shipping 6.

latronen

Jassmutual Mortgage and Nemay

44cts of Fernall 1.1p

dorer 1.52p

Mowitem (Libna) 2p

Mowitem (Libna) 2p

Mutclion (A. and J.) 2p

Needlers SpcPf. 2.1pc

Petrolane Inc. 105 cts.

Pharoah Gane 8pcPf. 2.8pc

Property Sec. Inv. Tit. 8pcPf. 4pc

Proyerly Sec. Inv. Tit. 8pcPf. 8.75pc.

Do (87) 8.75pc.

Rank Orun 6-lapcPf. 2.1875pc. 8pcPf. 8.8pc

Rio Tinto-Zinc Cpn (Reg) 5.5p. Do. (8r)

5.5p. Accum D.1p. 3.75pc.APf. 1.6625pc.

3.5pcEPf. (Reg) 1.75pc. 35pcEPf. (8r)

1.75pc.

**Associationsh. 2.7p Jan 30-Feb 3 Feb 1-4 Feb 7-11

Page Pri (Reg) 1.75pc. 35pcBPI 1.75pc
Rownfree Mackintosh 2.7p
Rownfree Mackintosh 2.7p
Rugby Portland Cement 2.35p
Seaco Inc 7.5 cts
Sears Roebuck 3.4 cts
Sectombe Marshall Campion 0.6p
Simpson (S.) 2p
Sketchker 3.2p
Simpson 0.6p
Smiths Inds 6.8p
South Australia SpcCons 1916 1/2pc
Stayeley Inds 4.5p
Strong and Fisher (Hidgs) 2.2p
Setton District Water 81:pcRdPf 19
4.25pc Feb 10-12

4.25pc Tarmac ShocPf 2.75pc Temple Bar Inv Tst 4.2pcPf 2.1pc Thomson Orgn 4.72pcPf 2.36pc. Db

APPOINTMENTS

joins NEDC

Hr Leigh-Pemberton became chairman of the National West-minster Bank in April 1977. He was appointed to the Bank's south-east regional board in 1970, joined the main board in 1972. and became a deputy chairman in 1974. He was in practice as a barrister from 1954-80 and is a member of the Inner Temple. He is a fellow of the Institute of Bankers and was elected a vice-president in May 1979.

Mr M. J. Ware, Department of industry, has been appointed to succeed Mr K. A. T. Davey as solicitor and legal advisor to the DEPARTMENTS OF THE ENVIRONMENT AND TRANS PORT. Mr Ware will join DOE/ DTp on January 1 in his present grade of under-secretary and will be promoted to deputy secretary when Mr Davey retires in June 1982.

RUDOLF WOLFF AND CO states that Mr F. F. Wolff, retires as chairman on December 31 and

International Showmen's Fair-SCHAUSTELLER (01-409 0956)
Middle East Food and Equipment Show—MEFEX Jan 11-14 (01-486 1951) Boat Show (01-439 3964)

TRADE FAIRS AND

International Boat Show 1982 (U2403 3077)
International Toy Fair (01-226 5653)
Stationery Industry Exhibition—STATINDEX (01-637 7692)
Which Computer? Show (01-747 3131)
International Hotel and Catering Exhibition—HOTELYMPIA (021-705 6707)
Ideal Homes, Food, Trades and Leisure Exhibition

(0243 687381)

(0243 687381)

Leathergoods, Luggage and Handbag Fair (01-407 1582)

British Toy and Hobby Fair (01-701 7127)

Photography at Work Exhibition (01-688 7788)

International Spring Fair—Gifts (01-855 9201)

Information, Technology and Management Exhibition and Conference—INFO '82 (01-647 1001)

Western Bullding Show (01-643 8040)

Ceramic Tile Exhibition and Conference—TILEX (01-450 0466)

Crufts Dog Show (01-493 7838)

International Men's and Boy's Wear Exhibition (021 705 6707)

Europipe '82—Construction and Maintenance of Pipelines Exhibition and Conference (0727 International Commercial Motor Show (02298 Jan 22-31 11 11)
Middle East Construction Exbn. and Conference Jan 24-28 (01-935 8200)

Do-lt-yourself exhibition—KARWEI (01-486 1951) Jan 25-31 International Boat Show (01-486 1951) International Boat Show (01-486 1951) Feb 5-14 Feb 9-18

(021 705 6707)

OVERSEAS TRADE FAIRS AND

Equipment and apparatus for drug production and testing exhibition (01-235 2423)

International Trade Fair for Household Appliances, Fittings and components-DOMOTECHNICA

(01-409 0956)

Feb 13-16 International Trade Fair for Watches, Jewellery and Silverware—INHORGENTA (01-486 1951) ence and Technology Exhibition (SATEX) (01-773 038)

Middle East Machine Maintenance, Light Engineering and Handling Show—MEM (01-486 1951) ... Bahrain

BUSINESS AND MANAGEMENT CONFERENCES

Institute of Personnel Management: The Secretary in Personnel Management (01-946 9100)

The University of Leeds: Textile design in the gightles conference (0533 35036)

CBI: Jordan—the new 5 year Development Plan (1881-86) (01-379 7400)

Crown Eagle Communications: UK Government Contracts (01-28 0817) Contracts (01-636 0617)
FT Conference: World Coal Markets (01-621 1355)
The Economist: Europe and Japan—Competition, Jan 21-22

Collaboration or Confrontation in the 1980's? (01-839 7000) (01-839 7000)

London Business School: Management within the law (01-262 5050)

Manchester Business School: The Micro-chip Society—planning for the future (061-832

ESC: Pricing for profit (057282 2711)
ESUMAR/EFMA: How research can help financial organisations communicate internally and

externally (01-251 4549)

Meridian Conferences: Capitalise on Communications (01-670 5400) Jan 27-28

Dun and Bradstreet: More Effective Collection
Techniques for Credit Controllers and Supervisors (01-247 4377)
Marketing Society: Media—The Inside Track
(01-543 5191)
Metal Bulletin Congresses: Middle East Metals
and Minerals (01-633 0525)
The Institution of Mining and Metallurgy World Oil
Mining Symposium (01-580 3802)

Mining Symposium (01-580 3802)

Oyez: Company Finance for the Executive Secretary (01-242 2481)

FT Conference: The Seventh Pensions Conference (11-59) 1255 (01-621 1355)

IPS: Energy (0990 23711)

FT Conference: The Euromarkets in 1962
(01-621 1355)

Offshore South East Asia Conference (01-546 5144)
Spearhead Exhibitions: UK Offshore Safety Conference (01-549 5831)

AMD Internal State and Technology (1988) Feb 10-11 ference (01-549 5831)

AMR International: Management Skills and Techniques for Women in Business (01-262 2732)

Crown Eagle Communications: Gaining Value from Feb 15-17 ... Overhead Costs (01-636 0617)

Hilton Hotel, Wi Anyone wishing to attend any of the above events is advised to telephone the organisers to ensure that there has been no change in the details published.

to announce the opening of a Branch in New York Notice To The Holders Of Yamanouchi Pharmaceutical Co., Ltd. 5%% Convertible Debentures Due December 31, 1996



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Financial Times Conferences

THE EUROMARKETS IN 1982 London - February 9 and 10, 1982

The panel of speakers will include Governor Henry Wallich, Member, Board of Governors, Federal Reserve System, Washington DC; Mr C. Fred Bergsten, Director, Institute for International Economics, formerly Assistant Secretary for International Affairs, Department of the Treasury, Washington DC; Dr Michael von Clemm, Chairman and Chief Executive, Credit Susse Farst Boston Limited; and Dr Manfred Meier-Preschany, Managing Director, Dresdner Bank AG.

WORLD MOTOR CONFERENCE Geneva - March 1 and 2, 1982

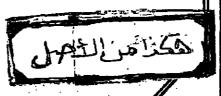
Umberto Agnelli will be a keynote speaker at this fourth World Motor Conference to be held in Geneva on the eve of the Geneva Motor Show. Other speakers include: Ray Hornocks of Ri., Ray Roberts of GKN; and George Turnbull of Talbot. The conference is being arranged in association with Booz, Allen and Hamilton, full programme details can be obtained from the address given below.

All enquiries should be addressed to: The Financial Times Limited Conference Organisation Minster House, Arthur Street London EC4R 9AX

Tel: 01-621 1355 Telex: 27347 FTCONF G Cables: FINCONE LONDON

Dated: December 28, 1981

499 Park Avenue, New York, N.Y. 10022



Year when computers become the 'experts'

TECHNOLOGY is at the blunt end of discovery. By the time a technological product or process is ready to market, the science on which it is based is old bat and the sharp corners have been refined

compared with pure Sō. science, "surprises per megabuck" are few. The money has to be spent—woe betide the firm that cuts its investment in research and development-but true technological breakthroughs—the invention of the transistor, the insertion of a foreign gene into the hereditary material of common bacteria of the intestinal tract — are few and far

Technology tends to substitute the buzzword for the breakthrough. This year is, of course, Information Technology. Year, the UK's some-what belated effort to pay due attention to what is becoming the dominant technology of the late 20th century, but Information Technology is itself a buzzword, difficult to except in the most

general terms.
It is agreed, however, that it is to do with the application of computer techniques to the collection, assimilation, processing and distribution of information. The computer industry itself is rich in buzz-

Network

Some years ago the "in" phrase was distributed pro-cessing, the idea of distributing computer power through a company rather than lock-

ing it away in data centres. Then there was convergence, the coming together of computing, telecommunications and office systems. Last the phrase was the

LAN, the local area network. Once you had distributed your computer power through your company by adding intelligence to office machines all that computery had to be tied together, somehow. The LAN was the proposed

This year's buzzwords? My money is on "expert systems" and "flexible manufacturing

Expert systems can hardly fail to make news to judge from the number of conferences, seminars and articles already devoted to the topic. The principle is best illus-

trated, perhaps, by the oldest computer joke of all. It con-cerns an FBC built by an international team of computer engineers (FBC is an American buzzword I learned from an IBM salesman: it stands for fancy big computer).

uneers scrap of human knowledge their masterpiece and, searching for a suitable bench mark, ask it: "Is there a ' It replies: "There is now." What the engineers had created was the ultimate expert system.

Initiative

The idea is that rather than using conventional techniques to apply computers to analysis . _systems followed by computer programming—the computer it-self is used to sift out the hest solution to the problem from all the expert information available.

Experts systems originated artificial intelligence research. The concept has been around for a few years now but what has given it a dramatic push forward has been a Japanese initiative to create designs for the "fifth generation" of computers, thereby wresting the lead in computer technology away

The Japanese plans are ambitious and costly; it could take 10 years and cost US\$ 400m according to U.S.

Has the UK any role in the expert gevelopment of expert systems and the computers to run them? Fortunately. yes. Despite a misguided retrenchment in funds for artificial intelligence in the early 1970s, the UK has a number of university centres working on machine intelligence and on parallel proces ing—computing where several streams of information are simultaneously rather than in the strict linear used by most machines today.

The Japanese are looking for collaboration in the development of the "fifth generation": with the forging of new links in information technology between the UKand Japan (Mitsui is selling



3rd Battery Seminar and Exhibition LONDON 14 JANUARY

HOW TO CHOOSE THE RIGHT BATTERY for tickets ring Michael Webb Leatherhead 74151 Ext 290

ERA Technology Ltd., Cieeve Road Leatherhead, Surrey KT22 7SA.

the Sinclair ZX81 in Japan; ICL is selling Fujitsu chips in its biggest machines) the new possibilities are enorm-

The Japanese are also leaders in flexible manufacturing systems — basically defined as the "robot factory." The principle depends on dividing a manufacturing pro-

duction line into a number of discrete units or "cells," each with two or more comcontrolled machine tools serviced by a robot. Because the machine tools

and the robots are programmable, it is possible to develop manufacturing sys tems able to turn out a wide variety of manufactured items—and switch from one kind of product to another very quickly.

The logical conclusion for this kind of system is to link in the design and costing computer aided design to create a virtually unmanned manufacturing

Some years ago, the only hint of a UK presence in robotics was Hall Automation, now part of GEC. Now, a number of UK firms are either building robots or seli-ing foreign devices.

Fairey, for example, is selling a range of Italian robots while GEC has formed a subsidiary, Factory Automated Systems Technology, to coordinate its flexible manufacturing activities.

Earlier last year, Tube Investments, one of the UK's principal manufacturing group's, and Taylor Hitec, a small robot builder, announced they were pooling expertise to attack the flexible manufacturing system market. And companies such as Kearney and Trecker Marwin, part of the Vickers group, offer both the machinery and advice for companies dipping their toes in FMS waters.

But what of biotechnology, the new wonder industry? No buzzwords for 1982 from that quarter? Perhaps it is simply that "monoclonal anti-body" or "RNA polymerase" simply does not roll so trip-plugly off the tongue as "factory of the future" or " electronie brain.

What is more likely is that the discipline is simply not so ready for the harsh glare of publicity as was the information technology busi-

Keturn

By the time the tidal wave of media coverage hit the silicon chip, it was already well developed and its applications were understood and documented.

engineering industry neither so well developed, nor their significance so obvious. A whole host of comincluding in this Grand Metropolitan, the Prudential, Midland Bank, British and Commonwealth Shipping, Davy Corporation, Allied Breweries and CJB have staked a claim on the biotechnology future, but they may have a long wait to see a return on their money. So much for the year's lamour technologies. What

of the rest? The car industry will contime to try to make its products more cheaply—Fiat last year installed robots for engine assembly in addition to its much publicised body

glamour technologies.

welding operation.
It will also continue to work on cutting energy and maintenance costs. Computer aided design techniques will be increasingly employed to capture the most aerodynamic body shapes; plastics and other high-strength. weight materials will be used increasingly for the body

panels. Noveltles, such Cadillac reviewed on this page last year, which could run on four, six or eight cylinders acording to road conditions and Ford's gas

powered car will assume increasing importance.
In the motorcycle world, it he interesting to see how Honda's turbocharged machine performs in the market place as opposed to the test track.

Simulator

Companies seeking raw sources of energy will, increasingly, use sophisticated technology. Last year Shell and Esso collaborated in the development of an undersea oil production system complete with a maintenance robot which could revolutionise the extraction of oil from the North Sea.

Phillips Petroleum developed a method based on acoustic measurement, underwater television, mooring winch data measurement and docking pipe displacement measurement to position a 100,000-tonne concrete and sicel platform above a wells already drilled with an accuracy of

6 inches in 314 feet. But if you have no oil drilling rig but want to try your band at controlling the roustabouts as the wind gusts to gale force, you can always buy rig simulator from

Rediffusion. This was the year when simulators mock-ups of aircraft, ships, helicopters, drilling rigs run by a computer and providing realistic sound, vision and instrumentation really came into their own.

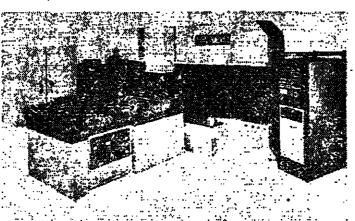
Long used for training pilots, the quality of the visual images produced by the simulators are so excellent, and the cost of training students on the real thing so prohibitive that Rediffusion and its competitors look as if they will have full order books for months building replicas of a variety of

It was also the year when the Alice in Wonderland aspect of digital electronics made itself plain. Nothing is ever what it seems once it is run by a computer.

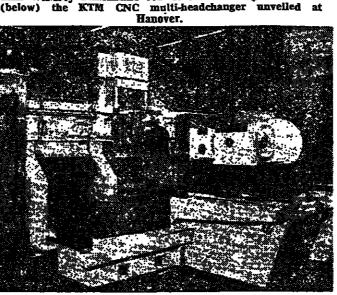
A voltmeter is no longer a voltmeter, it is a small computer pretending to be a voltmeter; a television set is no longer a television set, it is simply a computer feeding images to a screen. There is no reason wby

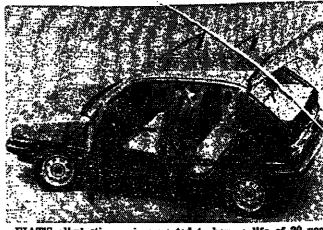
every gadget running off a microprocessor should not display the time, date and so on. Video cassette recorders do so as a matter of course; Casio builds a time display into one of the cheaper of its electronic keyboard instru-One thing I can guarantee is

that the software crisis, the problem of getting efficient instructions written to run all those computers, large and small, will get worse rather than better.



THE Whitney Panelmatic 661 CNC fabricating centre and (below) the KTM CNC multi-headchanger unveiled at Hanover.





FIAT'S all-plastic car is expected to have a life of 20 years.



WHAT IS Information Technology? A bottle of champagne for the most original definition here by January 12. FT staff are not eligible to compete, neither is Kenneth Baker, Minister of Information Technology.

Atlas Copco

Compressed

Air

Technology

Only last week the Science and Engineering Research Council, the Government body charged with funding research of timeliness and promise in British universities and polytechnics set up a group to study the problem.

The Japanese, long behind

in software techniques, are now making great strides so nobody in the information technology business can afford to be complacent.

Software productivity, at present an esoteric industry expression, could become one of the buzzwords of 1982.

HESECHANIC

There's no better way to spend this cold, dreary winter than watching Thames Television's terrific line-up of programmes.

For a start, on our light entertainment side is Let There Be Love. Paul Eddington stars as a confirmed bachelor, who to the bewilderment of his best friend Henry McGee, decides to marry the beautiful and intriguing Nanette Newman appearing in her first ever comedy role.

There are plenty more laughs in store with Don't Rock The Boat. Nigel Davenport succeeds in disrupting his well-ordered all male family boat-building business when he brings home a showgirl, the vivacious Sheila White and proposes marriage.

And of course old favourites Benny Hill, Jim Davidson and Shelley return to keep you laughing. While Eric and Ernie take a revealing look at some of the great comedy duos of all time in a one hour special with Alan Whicker.

When the laughter dies down, relax and enjoy our first rate drama season. Laurence Olivier and Alan Bates star in Voyage Round My Father. It's the true inspiring life story of the author, John Mortimer's relationship with his tragically blinded father. Something else you'll be sure not to miss is that devilish double-act Dennis Water-

man and George Cole back in an all new action-packed series of Minder. Of course, no Thames winter would be complete without a fabulous selection of

films. The season starts with a brand new Best seller, The Star Maker, starring Rock Hudson and Suzanne Pleshette. The compelling drama of a Hollywood Director with a unique style for turning beautiful faces

into overnight sensations. Amongst the great feature films to look forward to is Ryan's Daughter. Set in rural southern Ireland, Sarah Miles, Sir John Mills, Robert Mitchum and Trevor Howard star in David Lean's Academy Award-winning motion picture.

And two of Hollywood's biggest names Barbra Streisand and Robert Redford star as the ill-matched lovers in the British Television Film Première of The Way We Were.

This is just the start of a great entertainment season ahead. So cheer up! Isn't it good to know that there is a bright side this winter?



Walling out the cold

BY DEBORAH PICKERING

investment in insulation is no a stable and evenly distributed settle or spill out if either wall tribute to the keeping-up-with- temperature within the build- leaf is breached. heralded, unseen and only of outside weather conditions. benefit to the house occupants' Hampshire County Council of Arundel Approved contrac-comfort—a secret status symbol has also used the Shell pack-

cavity walls -- which first appeared in dwellings in the 1870s but became standard practice in new housebuilding just before the first World War. Rather than match bricks (there was no British Standards guideline) and hope for workmanship by master craftsmen, it was quicker and easier to construct with cavity walls resulting in our present day inheri-tance or around 8m still needing to be filled in.

But like double-glazing, loft insulation and home extensions, this sector of the building industry has attracted an army of maverick operators. The one most likely to succeed is backed by the blue-chip name of Shell. It is called Thermocomfort, is installed under strict super-vision of the company's inspectors (taking only half a day to inject into an average home) and promises recovery of 35 per cent of heat lost through the outer walls of a house.

Cuts fuel bills

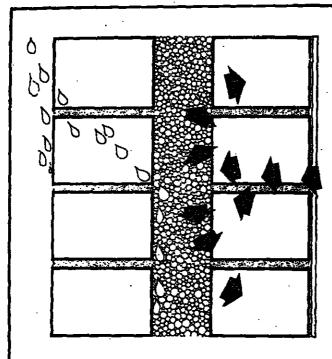
Apart from preventing heat loss, the system is designed to cut typically a quarter off household fuel bills. Centred around an adhesive bonded polystyrene bead fill developed by Shell in Holland, the beads are carefully controlled in size in the UK factory, and their spherical shape and lightness (they have a honeycomb structure) ensures penetration into any cavity to give uniform density and insulation perform-

"Installation is carried out by pearls, into the wall with a asking the Secretary of State compound, both bonded to for the Environment to look gether in a simultaneous operation. Within 48 hours the insu-which Bournemouth Borough lation settles into a solid block awarded a £2.4m contract to of tiny pockets of air en- pany trapped) and, because of the tenders having first been way the beads are bonded, damp invited from British concannot penetrate.

UNLIKE double-glazing, storm applying insulation to a 12,000 dry methods because porches, satin-aluminium slid-square metre wall afea, the Thermocomfort rigid, self-ing patio doors, a householder's LEB's primary aim is to provide draining structure will not the Jones battle. It is un- ing that would be unaffected by

bead fill in preference to other Berks (0635 30020).

The council's installation contractor was Francis Insulation The same goes for insulating age at a divisional police HQ from Shell Thermocomfort, 87 and opted for the polystyrene Northbrook Street, Newbury,



The particular structure of the Shell cavity wall insulation bonded head system allows the cavity to breathe and moisture to drain away.

No competitive tenders

a two-man team injecting the THE HEATING and Ventilat- HVCA as "disturbing." expanded beads, called Thermo- ing Contractors' Association is into the circumstances under (except that there are millions the subsidiary of a Dutch comwithout competitive

tractors. Ironically, the London Elec-tricity Board has recently in-stalled the Shell dry cavity wall water purification and electrical insulation in one of its outer- work at the town's West Cliff London storage buildings in Centre, and the method by Kent. Apart from the longer which the contract has been term economic benefits of placed is described by the

Association members in the south of England are wondering whther the Bournemouth action British companies to tender only for small contracts leaving the big, and potentially more profitable, projects to

foreign competitors. The HVCA sees the borough's action to be contrary to the requirements of EEC Directive 71/305 and may be a contravention of the borough's own standing orders which require tenders to be invited in open competition for work above a specified value.

BOND DRAWINGS

Tarmac wins £16m

Coal Board's Grimethorpe Colvalue of £16m, just announced

Two other important schemes include factory units and ancillary works at Aylesbury, McCleary and Barratt Properties (£3.1m).

verhampton for James Gibbon (Format) is worth £342,000, and factory units and external works at Longbenton, Tyne and Wear for English Industrial

A place in the sun

Irwin, gave a Dutch architect sarily confined to housing purthe idea for the "astro-unit," a poses, and the forerunner has a structure which is built around floor and roof thickness of a single column and can be 100 mm (K value 0.25), with rotated so that it it always walls 50 mm thick (K value turned towards the sun.

This can be achieved manually

The living unit is mounted on a metal column which has a load mechanical properties, this capacity of 80,000 kg—more aluminium pile dwelling is said more units regardless of type of ground or gradient.

standard model has a living room materials. Heiwo of Wolvega. of over eight square metres, a decent sized hall, kitchen with water heater, bathroom with

road and drainage at Killingliery, South Yorkshire, is the beck Leeds for the City Council largest award won in a new (£262,000); sewers, pumping batch of work, with a total main and road at East Chevington, Northumberland for the by Tarmac Regional Construc- Northumbrian Water Authority tion. The NCB project is for (£281,000); and a single-storey workshop, alterations to garages civil engineering works, is workshop, alterations to garages scheduled to take just under and site works at Seacroft two years, and is valued at £7m. Hospital, Leeds for Yorkshire Regional Health Authority (£245,000).

The housing divison of Buckinghamshire for John Tarmac Regional Construction Associates has secured two local authority (£3.2m), and an eight-storey modernisation contracts. These office block, multi-storey car are for 60 homes at Ashby. park and associated works at Leicestershire for North West Bracknell, Berkshire, for Leicestershire District Council. worth £581,000, and another 59 A factory and offices at Wol- at Moshorough for Sheffield enhaupton for James Gibbon Metropolitan District Council (£306,000).

Finally, the company's refur-bishment specialist arm-Refurb -has a £273,000 contract with Estates brings in another Barclays Bank at Sutton Cold-£313,000. Barclays Bank at Sutton Cold-field, Warwickshire.

A HOUSE designed for the The layout gives way to a American astronaut, James number of variations not neces-

0.50).

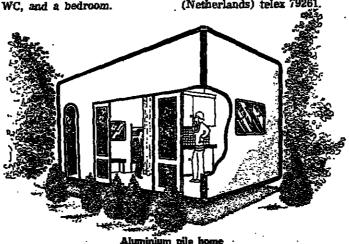
Floor has a load bearing or automatically and, because capacity of 400 kg per square the design gives optimum use metre and the building material of the sun's position, a large is 1 mm thick aluminium applied proportion of the house's on either side of Klege-cell energy requirements can be pro-insulation. Panels are protected vided with solar panels or solar on both side by acrylic paint in order to combat corrosion.

Claimed to have thermal and than adequate to bear two or to be resistant to chemicals, termites and rodents.

round or gradient.

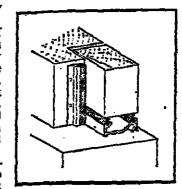
It is being marketed as a Unit dimensions are six by building kit in conjunction with three by three metres, and the the maker of the building More from the architect:

D. Voorhaar, Vermeerstraat 31. 3817 DD Amersfoot 131. (Netherlands) telex 79261



What's new in building

MADE from a special low profile aluminium extrusion is an all-weather double sealing door sill with two flexible seals which tighten together as wind pressure rises and will not affect the easy opening or clesing of the door, says Slottseal, Brook Street, Tring, Hertfordshire (044 282



Double seal threshold sill

Fitted beneath the door, the two seals are so arranged that increasing wind pressure strengthens the pressure of the rubber seals against the

Called Exitex, the sill is said to be easily fitted either in new building or renovation work, whether the existing door sill is wooden, brick or concrete. The extrusion is simply bedded upon mastic or cement and held down by special fixings into the door frame at each end.

There are no fixings on the door itself and the ugly and inconvenient weather drip,

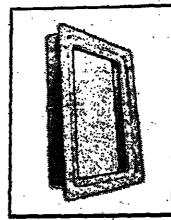
often needed on the outside of the door, is now unneces-DEVELOPED for installation on off-shore rigs and platforms is an anti-fire safety window from A/S Metallvare-

says it is the only shutterless A-60 window approved by Lloyds Register, Det Norske Veritas, American Bureau of Shipping, and Norwegian Maritime Directorate. Specially evolved glass withstands substantial water

pressure, at the same time stopping, flames, heat and smoke and reducing noise levels, also providing a safety observation window. In the event of fire, says

UK agent Fuglesang, a fire protection coating develops between the sets of glass to fully insulate the room from flames and smoke.

More on 01-930 1485.



Shutterless fire-fighter window

fabriken of Norway which

Plant by push button

BUYERS AND sellers of new and second-hand contractors plant will be able to see at a glance what is available, at what price, throughout the world, with the introduction next month of a system from Computable, P.O. Box 25, Brentford, Middx (01-568 6452).

Plant dealers, makers, hirers, contractors and estimators around the globe can have a direct link to the computer through their own standard international telex or remote printer/visual display unit. Computable offers a two tier

inquiry service: one produces a list of available plant from about 250 categories, enabling com-parisons of cost and models; the second stage gives detailed information of any specific piece of plant including its seller's name and address.

All items of plant, together with a full description and name and address, can be registered on the computer within the UK for £6 per item per 30 days. The cost of each inquiry varies from country to country, but in the UK it will be 75p per minute on line to the computer.

Around the industry

SOUTHWARK COUNCIL has reaffirmed its backing of the mental decision in 1978 to £200m Lysander Estates scheme decentralise its activities in for the 120 acres of Surrey Docks which it feels is vitally centres that would become important to the people of clearly identified with the Southwark creating up to 8,000 locality in which it worked. new jobs and providing money for the development of public and purposefully been restruchousing there — probably the tured and developed to achieve only means by which the latter this objective and, says Wiltcan be achieved in the present shiers, the growing strength financial climate.

The expression of confidence thoughts. A final contract with the development consortium is scheduled for signing next month.

WILTSHIERS, THE Kent-based building contractor, has formed four new subsidiaries in London, Winchester, Maidstone and Rochester all of which commence trading from

order to create separate profit

Since then it has gradually and size of the regional offices in London, Winchester and in the project followed reports Kent now justifies the creation that the GLC (joint owner of of the locally based subsidiary the site) was having second companies.

> MRS MOP has come a long way from the cartoonist's image, says the organiser of the Cleaning Maintenance and Buildings Management Exhibition to be held March 30-April 2 at the NEC, Birmingham.

More than £4bn is spent annually on cleaning work, by both direct labour and contractors, throughout the UK, and by Mr David Bradley.

The company took the funda- £1bn of this is spent by government

This year's exhibition, called Europeiean 82, will bring together all sections of the cleaning industry the world over and display the latest machines, access equipment, workwear, washroom products, Dressure washing equipment. dry and wet floor mops and ancillary equipment, window cleaning tackle and specialist cleaning chemicals.

Further details from John Lock, Turret Press, 886 High Road, London N12 (01-446 2411)

THANKS TO the increased use of stainless steel in the construction industry-and business expansion-George Clark (Sheffield) announces it has now opened a sales and service office at Horton Close Industrial Estate, West Drayton, Middx. (089 54 45623). This is managed

CONTRACTS AND TENDERS

GRAVELINES (59) FRANCE

AVIS D'APPEL DE CANDIDATURE INTERNATIONAL

POUR LA REALISATION D'UN AVANT-PROJET SOMMAÎRE DE FERME PILOTE D'AQUACULTURE MARINE (3200m2) UTILISANT LES EAUX ECHAUFFEES DE LA CENTRALE DE GRAVELINES

(a) Objet du concours: Le Société S.A.A.D.E.R., S.A.R.L., 21-23 rue de la Vanne, 92/20 Montrouge (France) organise un concours international à compter du 4 janvier 1982 pour choisir la conceptaur de la Ierme pilote du lotissement aquacole de Gravelinas. Le concours est à deux degrés dont le premier degré consiste en une sélection des candidats retenus pour le second degré, lequel consiste en l'exécution de l'Avant-Projet Sommaire, selon les normes fixées par le règlement du concours. Le leurest selectionne à l'issue du second degré recevra un prix de 100,000F, et les candidats retenus pour le second degré et dont les projets seront conformes au règlement du concours se réparturont une indemnité de 300,000F sans que la somme allouée à chacun d'entre eux ne dépasse 50,000F.

(b) Participation au premier degré: Les candidats devront fournir les documents auivants, rédigés en français:

documenta suivants, rédigés en françale:

(1) Dans un enveloppe opeque, cachetée, anonyme, portant la mention "renseignements," des renseignements sur leura apritudes techniques:

—Une liste des travaux déjà effectués dans le domaine de l'aquaculture et une collection de 10 photographies d'ouvrages résilisés (Format 18 x 24).

—Une liste des moyens du candidat.

Ces renseignements sont anonymes.

(2) Dans une enveloppe opaque, cachetée, anonyme, portant la mention "identité "l'identité du candidat:

—Nom., forme, nationalité de l'entraprise et de son représentant.

—Coordonnées exactes de maîtres d'ouvrage pouvent confirmer representant. -Coordonnées exactes de maîtres d'ouvragé pouvent confirmer la réalité des réneaignements.

aption des candidatures: Cas deux enveloppes seront placées s une enveloppe extérieure, opaque, cachetée, anonyme: —Les précas durmies par les candidats devront comporter une devise ou un signe distinctif qui figurers sur chacune des enveloppes précédemment énumérées. —L'enveloppe extérieure Comprenant les deux enveloppes précédemment enumérées sers:

déposée evant le 4 février 1982 minuit, terme de rigneur, auprès de l'organisateur qui, pour cet objet, élit domicile en l'étude de Ma SPANNEUT, huissier, 2, rue des islandais 59320 GRAVELINES (France), contro remise d'une décharge.

e au envoyée par la poste en recommandé à l'organisateur, qui pour cet objet, élir domicile en l'étude de Me SPANNEUT, buissier, 2, rue des latendais 5820 GRAVELINES (France) contre envoi d'un accusé de récaption,

Les candidats retenus pour le second degré recevrant le règlement du concours qui leur sera expédié le lendemain de la décision du jury.

BOLTON METROPOLITAN BOROUGH

SITE FOR SUPERMARKET

WESTHOUGHTON TOWN CENTRE

Minimum Development - 30,000 square feet

Maximum Development - 50,000 square feet

Westhoughton is a rapidly developing town in the North West whose potential has been regarded as second only in importance to a designated new town. The intention of Bolton Council is to

secure the provision of a much needed supermarket development.

A lease of 125 years subject to a ground rent with 5 yearsy

TENDERS OF PREMIUM AND GROUND RENT WILL BE

Brief but sufficient details for developers to assess their interest will be sent on request followed by full details and tender

It is envisaged that development on site will commence in November, 1982.

The initial details can be obtained from the Chief Estates Surveyor, Arndale Chambers, Exchange Street, Bolton BLI IRS

THIS DISPOSAL IS DIRECTED AT

Site Area

reviews is being offered.

documents to those intending to tender.

or by ringing Bolton (0204) 22311 Ext. 459.

ANNOUNCEMENTS

08271

08085

Luxembourg.



THEATRES

STRAND, CC 01-835 2660-4143, 8.00.
Mais, There 3.00. Sate 5 and 8, 11th
HYSTERICAL YEAR OF THE LONGER,
RUNNING COMEDY IN THE WORLD.
NO SER PLEASE WE'RE WORLD.
2 Nows of non-stop laughter. Directed
by Alien Dayls. Group sales box Office
01-379 6061. TALK OF THE TOWN. CC 01-734 5051. For restrations—or on bury—london's greatest night out. From 8 pm. 5 ROURS OF 109 ENTERTAINMENT. THE TALK OF THE TOWN GALA GALAXY REVUE. 930 pm. ANITA HARRIS (1) pm. Olmer. Dancing. 3 bands. PRINEAM. 926 5394, From 29th Dec. Family Musical You're A GOOD MAN CHARLIE BROWN. CHARLIE BROWN, OF A GOOD MAN
VAGDEVILLE CC 01-836 9988. Eves
8. Wed Mats 245. Sats 5 6. GORDON
JACKSON IM ACATHA CHRISTIES
CARDS ON THE TABLE SORRY. NO
reduced prices from any source but
scale bookable from \$235.
VICTORIA PALACE CC 01-822 4735-6.
01-834 1377. Twice daily 245 6 7.50.
JOHN MINIAM, ARTHUR LOWE, IAN
LAVISHDER IN MOTHER GOOSE, Group
scies 01-379 6061 & Teledate 01-200
9200 C4 board.

The understigned announces that as from 12th January 1982 at Kas-Associate N.V. Spuistratt 172.
Amsterdam and at Krediettanak S.A. Luxembourg div.co.no. 11 (accompanied by an "Amdarite") of the CDR's Murata Manufacturing Company Ltd., will be payable with 52,44 net per COR. repr. 100 3hs and with 324,40 het per record-date 20.9,1981: gross from 525,93. https://doi.org/10.100/355.03.100.

tax regulations.

AMSTERDAM DEPOSITARY

COMPANY N.V.

LEUMI INTERNATIONAL INVESTMENTS N.V. US\$20 million Genranteed Floating Rate Notes 1987 Sories "E"

The interest rate applicable to the above Notes: In respect of the three month period commencing 4th January, 1982 has been fixed at 1414% per annum the interest amounting to USS35.86 per USS1.000 principal amount of the Notes will be said on Monday, six April, 1982 against presentation of coupon No 6. BANK LEUMI TRUST COMPANY

PLYMOSITH CITY COUNCIL BULS 50.5m issued 50th December 1981 at 141% to due 31st March, 1982. Total applica-tions £4m. Bills outstrains £0.5m.

THE BUCKINGHAMSHIRE COUNTY
COUNCIL ISsued on 31st December 1981, 25m Bills due 1st April 1982. Tenders totalled 22m. Elm was issued at 141so%, and the remainder at 143so. There are \$5m other Bills outstanding.

THE GASLICHT of St. James's. London's more interesting beingessness's night club, 2 bars, restaurant, dancing, cabaret shore, the property of the process of

COMPANY NOTICES

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS GEDRAL IN FUIITEC CO., LTD. Forther to our Notice of Sentember 25, 1981. EDR holders are informed that Follier Co., Ltd. has paid a dividend to bolders of record September 30, 1981. The cash dividend payable is Yen 4.50 per Common Stock of Yen 50.00 per share. Pursuant to Clause 8 of the Deposit Agreement the Depositary has converted the net amount, after deduction of Japanese withholding taxes, into United States Dollars. EDR holders may now present Coupon No. 1 for payment to the under-mentioned agents. set of the dividend with a 15% withholding tax is subject to receipt a Depositary or the Agent of a vehicle afficiarly of residence in a country-a tax treety or agreement with Jeosa giving the benefit of the reduced iding rate. Countries currently having such arrangements are as follows:

Failing receipt of a valid adiabatic Japanese withholding tax will be deducted at the rate of 20% on the gross dividend payable. The full rate of 20% will also be applied to any dividends unclaimed after April 30, 1982. Amounts payable in respect of current dividends. Dividend payable less 15% Japanese withholding tax \$17.30

Dividend payable less 28 %, Japanese withholding tax US\$16,29 S20.36

Depositary: Citibank, N.A. 336 Strand, London, WC2R 1HB January 4, 1982.

notice to holders of European depositably receipts (EDRs) in OKUMA MACHINERY WORKS, LTD.

Further to our Notice of September 16, 1981, EDR holders are informed that Okuma Machinery Works has paid a dividend to holders of record September 30, 1981. The inverten cash dividend payable is Yen 3.75 per Common Stock of Yen 50.00 per stare. Pursuant to Cause 8 of the Deposit Agreement the Depositary has converted the net amount, after deduction of Japanese withholding taxes, into United States Dollars. EDR holders may now present Coupon No. 4 for payment to prentioned agents.

Payment of the dividend with a 15% withholding tax is prince to receipt by the Depositary or the Agent of a valid affident of residence in a Country having a tax treaty or agreement with Japan giving the benefit of the reduced withholding rate. Countries currently having such arrangements are as follows:

A.R. of Egypt F. R. of Germany Finland South Arrangements are as follows:

The Metherlands South New Academia Sweden New Academia Sweden New Academia Sweden Sylizoriand Res. of Korea United Kingdom Leand Czechoslovskia Lalv Singapore Zembia

Failing receipt of a valid allidavit Japanese withholding tax will be deducted at the rate of 20% on the gross dividend payable. The full rate of 20% will also be applied to any dividends docialment after April 30, 1962. Amounts payable la respect of current dividends:—

1,000 shares USS17.04 Citibank, N.A. 336 Strand, London, WCZR 1H8

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN. NIPPON FIRE & MARINE INSURANCE CO. LTD.

January 4, 1982.

Forther to the Nocice of November 13, 1981, we are now pieced to other bolders the Rights Shares offered by the Company at a price of 198 So each in the ratio of 0.2 share for each 1 common share 12 new for 10 sid) as of record date November 20, 1981 or each 1 common share 12 new for 10 sid) as of Any EDR holder wishing to take-up the new shares most lodge coopers 1982, together with a remittance for the earment due:

Number of Shares held

Rights Entiriement Payment the 1,000

(EDR Certificates will be Issued in 100 and 1,000 share units)

After the close of business on January 12, 1982 all unexercised Rights will be sold for the benefit of the holders and the resulting new proceeds, after deduction of expense, will be distributed to EDR holders in Cash against preventation of Coupon No. 4.

It is expected that the new EDR shares will be available for distribution of common stock on March 29, 1982.

Decombines

Depositary: Gibbank, N.A. 136 Strand, London, WCZR 1MB. January 4, 1982.

MARUI CO., LTD. MARUI CO., LTD.

(Kabushisi Kaska Merui)

Holders of U.S.530,090,000 61-5 Convertible Bonds 1991 of the above Romany are baraby actived in accordance with the Trust Deed substituting the Ronds that the commission arise will be adjusted from Yen 810,40 to Yen 735-70 per there with offset from Petrustry 1, 1982.

Company are hereby holdied in accordance with the Trust Deed constitutions the per share with effect from February 1, 1982.

This adjustment results from the free stock distribution to the holders of January 31, 1982, at the rate of 0.1-bew share for the share held. TANKS CONSOLIDATED INVESTMENTS PLC DIVIDEND NUMBER 69

NOTICE IS HEREBY GIVEN THAT the Interim Dividend declared on 16th November 1981 at the rate of 50 per 500 unit of Ordinary Stock for the 1981 will be paid on or after 16th January 1982 to Stockholders registered in the books, of the Company on 21st December 1987 and to bookers for the time heing of Stock Warrants to Bearer as indicated below. Holders of Stock Warrants to Bearer as indicated below. Holders of Stock Warrants to Bearer should arrange for Compon No. 59 therefrom to be lodged at the office of the Company's Paying Assents—
Tangamylica Holdings Limited
6 John Street
London WCIN 2ES
or to deposit such Compon M. BRUSSELS at:
Societe Generale de Benque
3 Montague du Parc
or Banque Bruselfes Lambert
24 Avence Marrix:
Or in Paris at:
Credit de Nord et Union Parisiones

24 Average Marrox
In PARIS at:
In PARIS at:
Credit de Nord et Union Parisienas
6 & 8 Botherard Hanssman
7 Mesors Lazard Freres and Cle
5 rue Pillet-Will
8 in SWITZERLAND at
Swiss Bank Corporation
Acschenvorstadt 1

easte and all its Swiss Offices or in LUXEMBOURG at: Banque Generale du Luxembourg 14 rue Aldringen

Country and toryal

Country are required for prevenent in
Brunsels, Parts, Switzerfund or Luncenboury with require to be accompanied
by residents to the effect that they
have neighbour or reactives from nor
are the prepared of residents in the
United Kingdom. Or residents in the
Justed Kingdom income Tax at the
pace of 30% will be deducted:
(a) Where holders' registered addresses
are situated in Great Britain or
Northern Ireland.

BY Order of the Board BAHAMAS INTERNATIONAL TRUST COMPANY LTD Dated the 4th day of January 1982 PO Box N7768

At drawings made in December 1981 in the presence of a Mokary Public in Smithout, Deposit Cordicates in respect of Estatement Cordicates in the Lass of 1958 (the "Method Lass of 1958 (the "Method Lass of 1958) were drawn town town the estatement Estatement Cordicates from the Cordicates of the Cordicates from the Cordicates of Lassard Brothers & Co. Limbert 21, Moordelds. London, BC2P 2717.

The Cordicates from the cordicates as from the Condition given in the cordicates as from the 15th January 1982 at the lass of the Condition given in the cordicates and Gotshanken as well as about the content of the Cordicates with the code as from the Cordicates with the code as from 15th January 1982 on certificates drawn. Cordicates brescound for redemonion that in accompanied by all the influence country of the code as the condition of the code of the Cordicates brescound for redemonion that in accompanied by all the influence country in Estatement of the Cordicates as amount setting the Method in the missing coupous will be withheld. The holder of a particular which has been drawn will receive on its redemonion a vocater in respect of the right actaches to the certificate to receive Fonding the Cordicates wheel hours of residents in the United Kingdom of the city of the drawn certificates being or payment through as Authorised. Aby of the drawn certificates being or payment through as Authorised, London, EC2P 2717 from whom litting terms may be obtained. Cordicates cannot be accessed through the pools.

NOTICE OF PURCHASE EUROPEAN ... INVESTMENT BANK 9% DOLLAR NOTES OF 1975 DUE DECEMBER 15, 1982

Pursuant to the Terms and Conditions of the Low. Inside is hereby given to South notice that during the twelve-month harbor that the large month harbor that the large harbor to such about the bear open such that the large harbors, and redeement sheet the large harbors, and redeement factor that harbors are becomes in 1987 the remaining in chromatics in the large harbors are the large harbors and the large harbors are the large harbors as the large harbors are the large harbors are the large harbors and the large harbors are the large harbors as the large harbors are the large harbors and the large harbors are the large harb

ESTABLISHED SUPERMARKET OPERATORS هكنا من المعمل

- 6.78 acres approx.

The Commission of the European Communities announce that the Annual Redemption instalment amounting to U.S.\$4,500,000 nominal value, due on the 1st February, 1982, has been met by a drawing of Bonds in the presence of a Notary Public at the Chase Manhattan Bank N.A., New York. The serial numbers of the Bonds to be redeemed are set forth below in groups from one number to another number, both inclusive, except such as shall have been previously called for reder 1801 to 2000 7401 to 7600 12001 to 12200 18601 to 18800 21601 to 21800 1401 to 1600 9201 to 9400 15201 to 15400 9401 to 9600 15801 to 17000 19601 to 19800 22401 to 22600 26801 to 27000 39401 to 39600 43201 to 43400 42401 to 42600 43001 to 43200 On 1st February, 1982, there will become due and payable upon each Bond drawn for redemption, the principal amount thereof, together with accrued interest to said date at the office of:-S. G. WARBURG & CO. LTD., 30, Gresham Street, London EC2P 2ER. or one of the other paying agents named on the Bonds. interest will case to accrue on the Bonds called for redemption on and after 1st February, 1982. Bonds so presented for payment must have attached all coupons maturing subsequent to 1st February, 1982, and following in accordance with the Terms of Payment mentioned on the Bonds. U.S.S31,500,000 nominal value will remain outstanding after 1st February, 1982. The following Bonds previously drawn for redemption on the dates given below have not yet 1st February, 1978 12711 12952 18210 1st February, 1979 06864 12713 14107 19474 06242 08282 13579 13973 18789 1st February, 1980 08263 08278 12723 13557 15968 20852 26549 15567 19691 22343

NOTICE OF REDEMPTION

EUROPEAN COAL AND STEEL COMMUNITY (E.C.S.C.)

U.S.\$50,000,000 7%% U.S.\$ Bonds 1974-89 Due 1st February, 1982

> 14336 19471 1st February, 1981 09951 4th January, 1982

CLUBS

COMPANY NOTICES

MURATA MANUFACTURING COMPANY LTD. she without an "Afficient" 20° Jap.tax (m Yen 125- m 5-57 nor CDR. rest. 100 she and Yen 1.250. m 55.70 per CDR. rest. 100 she and Yen 1.250. m 55.70 per CDR. rest. 1.000 she will be paid under deduction of 20° Jap.tax with \$2.30 net per CDR. rest. 100 she and with \$23.0 net per CDR. rest. 100 she and with \$23.0 net per CDR. rest. 100 she and with \$23.0 net per CDR. rest. 1000 she and with \$23.0 net per CDR. rest. 1000 she and with \$23.0 net per CDR. rest. 1000 she and with \$23.0 net per CDR. rest. 1000 she and with \$23.0 net per CDR. rest. 1000 she and with \$23.0 net per CDR. rest. 1000 she and with \$23.0 net per CDR. rest. 1000 she and with \$23.0 net per CDR. rest. 1000 she and with \$23.0 net per CDR. rest. 1000 she and \$25.00 net per CDR. rest. 1

PUBLIC NOTICES

EVE has outlived the others because of a policy of fair play and value for money. Sosper from 10-3-30 am. Disca and top musician. siamorous hastesses, exciton floorshows. 189 Regent St. 734 0257.

MARUH CO., L'TO.

SHOPEAN INVESTMENT MARK

EDITED BY CHRISTOPHER LORENZ

The long hard road to industrial harmony

FORD IS a first class business. I became painfully aware school particularly for industrial relations directors. The change attitudes and behaviour employee relations issues are in Ford, but in the total tought, and the mirror and magnety the problems facing we were a part.

We have a painfully fragmented society and workforce.

lanuary 4 1952

(0.462) 444

Plant by

ESS AND

manifest themselves. Employee selves. relationships and performance those of affiliated Ford companies in Europe and elseand thoroughly professional management team facing up to intense international competi-

One's overriding impressions after 35 years at the sharp end are of the great opportunities available to Britain that were lost in the 1960s and 1970s of our appalling industrial relations nātional record. The customer treated with contempt in the continuous jungle warfare. Precious productive capacity was squandered in perpetual disputes. This prevented the domestic creation of wealth necessary for new investment. and it effectively discouraged investment from abroad.

I was keenly aware, particularly throughout the past 12 years as Ford's I.R. director, guarantee the orderly and predictable labour relationships nation. that my colleagues overseas could provide, then increased business and more jobs would have been available. This business would have been available for any form of authority for many suppliers of goods and , which seeks to obstruct the purmany of the issues that provoke

services as well as for Ford UK. suit of sectional aims. The fact was that I had to confess that there was no likelisame high capacity, reliability and efficiency as it would overseas because of the shortcomings of our own relationships and overseas, and those of other organisations. At Ford, I on whom we were dependent: that this spread of intense surrender any sovereignty to

mented society and workforce. The vantage point is Despite the recession, and even extremely musual. There are more so during economic upplants throughout the United turns, those in employment Kingdom, centralised hargain- have immense power to disrupt ing, and a vast number of business operations and the suppliers of goods and services economic life of the nation at whose own problems painfully little short-term cost to them-

Technological advance, the can readily be compared with integrated nature of modern business, and the inter-dependence of us all in modern where and one is working as society place such power in the a member of a highly motivated hands of innumerable small groups of workpeople, particularly in the public utilities and in transport and distribution. Quite small disruptions create physical and financial havoc.

Detriment of interests

vomen join the trade-union movement for the protection and benefits provided by collective strength but, having done se; they ally themselves with the members of their sectional interests groups. pursue these sectional interests through discussion followed by pressure, or threats of pressure, to the detriment of the longer-led in turn to the perpetuation term interests of their col- of the practice of excusing that if only I had been able to leagues, the organisation for they work, and the

This

hood that plant and equipment of the economic consequences employer and the intense comin Britain could produce at the of the employee's actions on same high capacity, reliability short-term profitability and on a company's longer-term reputa- solve to exercise leadership. tion with its customers at home

At Ford, I became convinced

Bob Ramsey, former Industrial Relations Director of Ford UK, and the new President of the Institute of Personnel Management, advocates a fresh approach to labour relations

impracticable. Above

themselves.

determined managements have

quicker and more effective

sanctions that they can apply

So it is up to managements

ships, because only they have

the daily contact with the work-

force and the levers of power

that are necessary to create

initiatives for change. Only

their firmness, of purpose can

create a strong, responsible

The first requirement is for

more professional management

job-related, practical manage-ment training, particularly at first supervisor level. Almost

equally important is improved

operator training to provide

maximum versatility and re-

trade union movement.

liability of employees.

problem facing British society pholosophical reform of the and management in the 1980s movement society is for an ever greater ready to give leadership. degree of harmonious team. The role of governmen working. This has never been of the law in all this can only more the case than when the be limited. While legislation West has to face the formidable can provide remedies to protect challenge from Japan and its individual employees, it can industrialised neighbours who offer little, if any, practical help are able to depend upon com- in collective industrial relations pletely reliable work groups.

Trade unions are too weak to perform their essential role not, in practice, tend to look acting as representatives of to the courts to handle their organised labour. Their weak- problems. This is partly because ness stems first from the fact use of the courts can severely that the sectional power of their damage relationships with emmembers does not normally ployees and unions, and partly need the formal support of a because the lack in Britain of union, or of its wider member- written agreements with suffiship, to pursue their aims.

This fundamental weakness, to which all trade unionism in the free world is potentially prone, has in Britain been exacerbated by a lack of recognition by the trade union movement that the resultant disorganised labour movement has to transform industrial relation-wrecked Britain's reputation as ships, because only they have a reliable supplier of goods and

This lack of perception has breaches of procedure agreeof the tradition of maintaining highly emotional opposition to usually fuelled by feelings of strike-breaking, irrespective of and team leadership. Sophistigenuine grievance and injustice, the unconstitutionality of the cated selection techniques are It is allied with a lack of respect strike action, the damage it needed, along with far more causes, or the triviality of so

Furthermore, there is a In addition the multiplicity serious lack of understanding of unions dealing with a single petition for membership and influence has weakened the re-

Second, there must be more orderly precision in collective relationships. Large areas of Finally, the dispersal of authority throughout the movement and the reluctance to -

parochialism is the greatest the TUC makes institutional or precision of existing arrangepractically because the paramount need in possible. We desperately need a wage structures that embrace an interdependent industry and strong trade-union movement, otherwise fragmented sectional employee groups.

The role of government and agreements must Sophisticated employers do

cate directly to its workforce cient precision to be capable of enforcement makes legal action

> universal recognition of the realities of employee power. As soon as customer demand reappears, a style of management is needed that seeks the willing consent of employees to what has to be done.

problem. In my years at Ford, my line-management colleagues, together with the industrial relations staff, worked really hard at all the things I have listed. We gave the unions more strength and greater security by granting exclusive bargaining British management must give rights, automatic "check-oft" of convictions of real depth in up the expediency and im- union dues by the employer, a order to attempt to win over

ments, and establish relevant bargaining arrangements and

Incentive schemes have to be seriously examined to see if they justify their existence. If they do, they must be an aid to. rather than a substitute for, good management. Procedure contain halanced commitments by management and employees. Disciplinary procedures must be

scrupulously fair. The third need is for better communications structures and processes. These must fulfill management's obligation (not just its "right") to communias well as to trade-union representatives - all the key information affecting a business, so that they know as well as management the risks and opportunities and the constraints within which the business

Mutual trust and respect

But here there is the real



Bob Ramsey: "There is a serious lack of understanding of the economic conshort-term profitability and on a company's longer-term reputation with its customers

blue-collar membership agreement, better facilities (including those for shop-stewards' elections and agreement ratification votes), and more and more information.

We did, I believe. build mutual respect and a good deal of trust, and we always ultimately settled our problems together. We performed well by the standards of the British environment, but we did not get the real breakthrough in attitudes that we needed to compete in the big international league. Nor did the rest of Britain. So what has now to

be done? It may be, of course, that we cannot overcome our deep divisions. There is ample evidence that British workpeople cannot be coerced into the permanent constructive co-operation we require. But given our tragic political polarisation, British management must arm itself with some universally shared convictions of real depth in

the hearts and minds of the workforce and their representa-

and profitability.

provide high quality manage- plans and resources are needed ment, and a better future workforce through the planned preparation of young people for working life and through adult throughout Britain—the nuts retraining to cope with technological change.

being thought of as the alienated failure of our society an army of checkers and

Finally, I believe that manage ment, while working relent-lessly to achieve international competitiveness, must collechas to be that short-term profit- tively plan to tackle unemployability, expediency and fire- ment. It needs to be able to fighting must be subordinated estimate the kind of employto long-term strategy, planning ment levels that will result from the co-operation it seeks, Thus education and training thus establishing what the has to be a first charge on business and national income to and what consequent national

to tackle it.

We must use our expertise to make all those things happen and bolts initiatives to produce order and precision in relation-Then we must also completely ships and the more exciting rethink the role of the ordinary initiatives designed to convince shopfioor operator, the maker workpeople, men and women, of pieces, so that instead of white and coloured, that management can not only take the tough decisions necessary for at the bottom of the heap, he business survival, but can also becomes the key employee who examine the social consequences can do most things connected of those decisions and come up with his job instead of requiring with imaginative plans for how it and government can tackle

DECEMBER 1981

Management abstracts

Executive stress, F. B. Mickel in Management Accounting (U.S.), Apr 81: p. 15 (8 pages, Management bibliog.)

Explores the nature of executive stress; focuses on 'workaholics who appear to welcome stress but who may push themselves into ill health; describes The management of organisasteps that companies and individuals can take to reduce harmful stress. Written by a self-styled workaholic who

(Separation 12)

Points to limitations in the exponential smoothing apand manufacturing requirements. The art of firing. M. Axmith in from sales data; explains how Business Quarterly (Canada), proach to predicting stock MK Electrics (electrical accessories) is said to have achieved more accurate forecasting by, policy and a sympatheticallythan sales data, averaging out can reduce the pain—to both months affected by price

Becker in Business Horizons (U.S.), May/Jun 81: p. 43 (5

Taking pollution as an example, describes how companies can respond to consumer issues through product, pricing, distribution and promotion strategies which at the same time improve competitive-

tional crises. J. D. Ford in Business Horizons (U.S.),

an organisational crisis, suggests stock control. G. Burton + T. why crises occur, and describes Ali in Accountancy (UK). typical responses; discusses Jun 81; p. 103 (2 pages, chart) coping actions, e.g. improving understanding of informal ways of communicating/liaising.

Business Quarterly (Canada), Spring 81: p. 36 (10 pages)

Discusses how a severance parties—involved in firing a increases, and using a low fixed manager. Suggests how a 'relovalue for the smoothing factor, cation consultant' can help to

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dent banking services wishing to advertise in this

Using consumer issues for defuse the situation and how competitive advantage. B. W. management should handle the

> Holidays in industry. E. May in Manager Magazin (Fed. Rep. of Germany), May 81: p. 51 (2 pages, in German, English version available)

Demonstrates that although German industry is actively thinking about how to phase in the ever-growing holiday entitlement of employees, no single solution has emerged or is on the horizon. Volkswagen sends May/Jun 81. p. 10 (7 pages, 56,000 away at the same time. with a band playing them off Daimler-Benz doesn't think this feasible proposition at all. Gives an account of attitudes in other industries.

> These abstracts are con-densed from the abstracting journals published by Anbar Management Publications. original articles may obtained at £2.50 each (including VAT and p and p; cash with order) from Anbar, PO Box 23, Wembley, HA9

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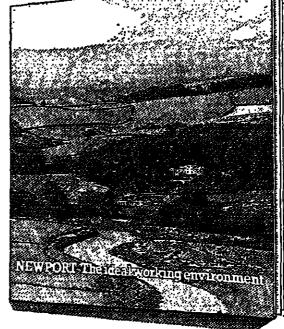
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TELEVISION

drunks on New Year's Eve.

the eyes of dancers, Dancing Girls.

†3.55 pm Star Movie: "The Great Lie," starring

Chris Dunkley: Tonight's Choice 11.15 am See Hear! 11.40 The Hardy Boys and Nancy Drew Mysteries. 12.30 pm News After Two new batches of established BBC-1 programmes start Noon. 1.00 Pebble Mill at One. tonight-Dr. Who with Peter Davison, famous as the young vet 1.45 Camberwick Green. 2.00 in "All Creatures Great And Small," taking over the title role, South of Algiers," starting Van and Last Of The Summer Wine-as well as six entirely new Heflin and Wanda Handrix, 3.25 series. Of these the most significant is Police on BBC-1. Delia Smith's Cookery Course. When Roger Graef made "The Space Between Words" and 3.53 Regional News for England other ultra-purist fly on the wall documentaries he did much to (except London). 3.55 Play establish the school of programme making which later created "Hospital," "Sailor," "Strangeways" and so on. Now Graef School, 4.20 Laurel and Hardy. 4.25 Jackanory. 4.40 Playhouse. 5.05 Newsround. 5.10 Blue Peter.

5.40 News. 6.00 Regional News Magazines. 6.25 Nationwide. "Watchdog." including

BBC 1

6.55 Doctor Who starring Peter Davison. 7.20 The Rockford Files star-

ring James Garner. 8.10 A Bright, Brand New Day . . ? The second of two films about children in Northern Ireland.

9.00 News. 9.25 Last of the Summer Wine, starring Bill Owen, Peter Sallis and Brian Wilde. 9.55 Police (series filmed oyer nine months inside the Valley Constabulary).

10.40 Film 82 Special: Paul Newman and Joanne Woodward in conversation with Iain Johnstone. 11.25 Now Get out of That. 11.55-12.00 News Headlines.

CENTRAL

CHANNEL

1.20 pm Channel Lunchtime News, What's On Where and Weathor, 2.30 The Monday Matines: "The Girl In The Empty Grave." 5.15 The Gaffer. 5.00 Channel Report. 6.30 The Two Of Us. 10.28 Channel Late News. 11.15 Golfing Greats. 11.45 Some Of Our Airmen Are No Longer Missing. 12.40 am News and Westher in French.

RADIO 1 t Medium wavs
5.00 am As Radio 2. 7.00 Mike Read.
Simon Bates. 11 20 December 11

5.00 am As Radio 2. 7.00 Mike Read. 9.00 Simon Bates. 11.30 Dave Lee Travis. 2.00 pm Paul Burnett. 3.30 Stava Wright. 5.00 Pater Powell. 5.30 Newsbeat. 7.00 Stayin' Alive with Andy Peebles. 8.00 Richard Skinner. 10.00-

ANGLIA

+5.40 Underscea Kingdom. 6.15 Maggie. 6.40 The Sorcerer's Apprentice. 7.05 News Summary.

11.00 am Play School

Bette Davis.

11.25 Play it Safe!

GRANADA 9.30 am Animated Classics. 10.15
Unramed World. 10.35 The Flying
Kiwi. 11.00 Sesame Street. 1.20 pm
Granada Reports. 2.30 Monday
Matines: "Carry On Cabby," starting
Sidney Jemes and Hattle Jacques.
6.00 Granada Reports. 6.20 Mr Merlin.

9.30 am Larry the Lamb. 9.45
Clegg's People. 10.10 Feature Film:
"Kidnapped," starring Michael Caina
News. 2.30 Monday Film Matinee:
"Tarzan Goes to India." starring Jock
Mahonay. 5.15 University Challenge
6.00 About Anglis. 6.30 Survival.
11.15 Johnny Mathis in Concert.
12.15 am Reflection. 11.20 Johnny Mathis in Concert. HTV HTV
9.35 am Sesama Streat. 10.7c "The
Great St Trinian's Train Robberv,"
starring Dora Bryan and Frankie
Howard. 1,20 pm HTV News. 2.30
"Wonder Woman," starring Cathy Lee
Crosby. 3.55 Jousting. 5.15 Different
Strokes. 6.00 HTV News. 10.28 HTV
News. 11.15 Off the Record.
HTV Cymru/Wales—As HTV West
except. 12.00-12.10 pm Flalabalam.
4.15-4.20 Mr Magoo. 4.45-5.15 Ser.
6.00 Y Dydd. 6.30-7.00 Report Wales.
8.30-9.00 Yr Wythnos. 11.15-11.45
World In Action. 9.38 am Thunderbirds. †10,25 John Mills: Star of the Week: "Above Us The Wave." 1.20 pm Central News. 2.00 John Mills: Star of the Week: "Sky West and Crooked." 3.45 Money-Go-Round. 6.00 Central News. 11.35 Central News. 11.20 Paris By Night. 11.50 Something Different.

SCOTTISH
9.35 am Cockleshell Bay. 9.45 Rainbow. 10.00 Danger Mouse. 10.05 Graham's Ark. 10.30 "Rockets Gelore," starring Jeennie Cescon. Donald Sinden, Roland Culver and Noel Purcell. 12.00 Scotland Today Special.

Tonight's episode finds the men of E-Division dealing with

BBC-2, a rock culture programme for teenagers; Maestro on

HBC-2 which looks at great sports stars, starting with Stirling

Moss; Let There Be Love on ITV, a situation comedy with Paul (Yes Minister) Eddington; BBC-1's A Bright Brand New Day

which revisits the Irish children seen in the excellent 1974 documentary "Children In Crossfire"; and the first of a four-

part series which seeks to reveal the world of dance through

BBC 2

starring

In transmission order the other new series are Riverside on

Calls. 9.55 "The World of Suzie Wone," starring William Holden. 12.00 Cockleshell Bay. 12.10 pm Rainbow. 12.30 Do It Herself. 1.00 News, plus FT Index. 1.20

7.10 One Hundred Great Paint-

7.55 Maestro. 8.25 Randy Crawford in con-

TSW

TVS

Drury Lane.

9.00 Three of a Kind. 9.30 Dancing Girls.

10.45-11.35 Newsnight.

cert at the Theatre Royal,

7.20 Riverside.

Thames News with Robin Houston, 1:30 Farmhouse Houston. Kitchen. 2.00 Money-go-Round. 2.30 Monday Matinee: "Lassie: A New Beginning." 4.15 Dangermouse. 4.20 Graham's Ark. 4.45 Book Tower. 5.15 Mr himself and cameraman/director Charles Stewart have spent nine months with the Thames Valley Police in Reading to make Police.

and Mrs. 5.45 News. 6.00 Thames News 6.20 Help! with Viv Taylor

Gee. 6.30 Mr Merlin. 7.00 Wish You Were Here . . . Judith Chalmers reports

LONDON

9.30 am Where the Curlew

from Canada; Chris Kelly visits Stratford-upon-Avon. 7.30 Coronation Street.

8.00 Let There Be Love. starring Paul Eddington and Nanette Newman, 8.30 World in Action. 9.00 Best Rock Sellers: Hudson and Suzanne Pleshette in "The Star

Maker," Part 1: "Dawn." 10.00 News. 10.30 Best Sellers: "The Star Maker" (continued). 11.20 Thriller: Diana Dors in

"The Devil's Web." 12.40 am Close: "Sit Up and Listen" with Steve Race.

12.30 pm Alistair—One Man and His Band. 1.20 Scottish News Headlines and Road and Weather Report. 1.03 The Talking Whala. 12.30 "The Man Who Shot Liberty Vellance." starring James Stawart, John Wayne, Vars Miles and Les Marvin. 6.00 Scotland Today/Crimedesk. 6.33 New You Sea It. 8.00 Mane Gordon Price in Concert. 11.20 Getchen—Gretchen Cryer. 11.50 A Journey Through the Mod. 12.35 am Late Call. News. 2.30 Mondey Matinee: "True As A Turtle," starring John Gregson. 5.15 Watch This Space ... That Mondey Evening Feeling. 5.30 Coast to Coast. 6.00 Coast to Coast. (cont.). 8.30 Duran Duran. 11.20 Thriller: "The Sayton

TYNE TEES 9.20 am The Good Word. 9.25 North
East Naws. 9.30 George Hamilton IV.
9.55 The World We Live In. 10.20
Cartoon Time, 10.35 Stingray, 11.00
Sesame Street. 1.20 pm North East
News and Lookaround, 2.30 Monday
Mounse: "The Master of Ballantrae,"
starting Errol filynn. 5.15 Happy Days.
6.00 North East Naws. 6.02 Three
Little Words. 6.30 Northern Lile with
Tom Coyne. 10.30 North East Naws.
11.15 Lou Grant. 12.10 am Man of
Loynia. 9.30 am Sesame Streat. 10.30 Yicky the Viking. 10.55 Paint Alone With Nancy. 11.20 Hands. 11.20 Lerry the Lamb in Toytown. 1.20 pm TSW News Headlines. 2.30 "The Girl In The Empty Grave," starring Andy Griffith. 4.12 Gue Honeybun's Magic Birthdays. 5.15 The Gaffer. 6.00 Today South West. 6.30 The Two Of Us. 10.32 TSW Late News and Weather. 11.15 Golfing Greats. 11.45 Some Of Our Airman Are No Loncer Migsing. 12.40 am Postscript. 12.45 South West Weather and Shipping Forecast.

YORKSHIRE

9.30 am European Folk Tales. 9.40
Focus on Wildlife. 10.95 The Beachcombers. 10.30 "Oliver Twist." 11.55
Wattoo Wattoo. 1.20 pm Calendar,
News. 12.30 Monday Matines: "Vacation From Marriage." 6.00 Calendar,
6.30 Enterprize 82, 11.15 "Death
Flight 901—The MT Erabus Disaster."

9.30 cm Survival. 9.55 The Beach-combers. 10.20 Fangtace. 10.45 Terzan. 11.35 Joe 90. 1.20 pm TVS

RADIO

Matthew with Round Midnight. 1.00 am Truckers' Hour (S). 2.00-5.00 You And The Night And The Music (S).

RADIO 3
6.55 am Weather 7.00 News. 7.05
Morning Concert (S). 8.00 News. 8.05
Morning Concert (continued). 9.00
News. 9.05 This Week's Composer:
Mendelsachn (S). 10.00 American
Music for Organ (S). 70.35
"Winterreise" (S). 11.50 British
Music (S). 1.00 pm News. 1.05 BBC
Lunchtime Concert (S). 2.00 Matinee
Musicals (S). 3.00 The Songs of
Museorgsky (S). 3.30 New Records
(S). 4.55 News. 5.00 Mainly For
Pleesure (S). 7.00 Aspects of the RADIO 2
5.00 am Steve Jones (\$), 7.30 Terry
Wogan (\$), 10.00 Jimmy Young (\$),
12.00 John Dunn (\$), 2.00 Ed Stewart
(\$), 4.00 David Hamilton (\$), 5.45
News: Sport. 6.00 David Symonds
with Much More Music (\$), 8.00 Folk
On 2 (\$), 9.00 Humphrey Lyrietton
with the Best of Jazz (\$), 9.55 Sports
Desk. 10.00 The Law Game, 10.30 Star
Sound with Nick Jackson, 11.00 Brian

Blues. 7.30 BBC Welsh Symphony Blues. 7.30 BBC Welsh Symphony Orchestra concert, part 1: Mozert, Hoddinott (S). 8.15 The 2003 Claret (atory by Kingsley Amis). 8.35 Concert, part 2: Beethoven (S). 9.25 Brahms plano recital (S). 10.00 Beowelf (abridged reading, in six parts). 10.30 Jazz in Britain (S). 11.00 News. 11.05-11.15 A Bach Motet (S).

RADIO 4 HADIO 4

6.00 am News Briefing. 6.10 Ferming Week. 6.25 Shipping Forecast. 6.30 Today. 8.35 The Week on 4. 8.45 The Widower by Georges Simenon. 9.00 News. 9.05 Start the Week with Richard Baker. 10.00 News. 10.02 Money Box. 10.30 Daily Service. 10.45

Morning Story. 11.00 News. 11.05 Down Your Way visits Wembley Arena for "Holiday on Ice 82." 11.50 Poetry Please! (5). 12.00 News. 12.02 pm You Please! (5). 12.00 News. 12.02 pm You And Yours. 12.27 Nashville (5). 12.55 Weather, programms news. 1.00 The World At One. 1.40 The Archers. 1.56 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Atternoon Theatre. 4.35 Back In Ten Minutes. 4.45 Story Time. 5.00 PM: News magazine. 5.50 Shipping Forecast. 5.55 Weather, programms news. 6.00 News. including Financial Report. 6.30 The News Quiz of the Year (5). 7.00 News. 7.05 The Archers. 7.20 Start. 6.30 The News Quiz of the Year (5). 7.00 News. 7.05 The Archers. 7.20 Start. World Tonight. 10.30 Science Now. 11.00 A Book At Bedtime. 11.15 The Financial World Tonight. 11.30 Music at Night. 12.00 News.

+346

+821

Analysis of bank advances and acceptances

to UK residents by banks in the UK at November 18 1981; as Table 5 in the Bank of England Quarterly Bulletin.

						_								
•			£m		TAL TO U	of whi	ich <i>In foreign</i>	Tot		of which	FINANCI Hire-pur Mans	ce chase	Property	Other
	London clearing banks	1981	Aug 19	Total 32.179	in ster 31.0	_	1,101	5nan 2.3		2.173	233		empenies 1.046	tnancial 1.089
	Scottish clearing banks		Nov 18	34,035 4.261	32,8		1,181 277	2,3	81 26	2,206 376	200 135		1,106 105	1,075 186
			Nov 18	4,524	4,2	31	293	4	12	393	153		112	178
	Northern Ireland banks	1981	Aug 19 Nov 18	878 8 6 5		178 1 64	_		37 40	37 40	2 2		31 34	5 4
•	All banks	1981	Aug 19 Nov 18	72,691 77, 41 6	59,8 63,9		12,805 13,537	11,8 12,6		8,291 8,608	2,022 2,034		2,557 2,710	7,239 7,912
ı	of which in sterling	1981		59,885 • 63,909	درده			8,2 8,6	91	0,000	1,955 1,988	5	2,300 2,437	4,036 4,183
	Changes: in sterling	1021		+3.487					86 ′		+ 8		+127	+251
	in foreign currencies adjusted	1001	Aug/Nov	+4,024				+3			+ 33		137	+147
	for exchange rate effects§	1981	May/Aug Aug/Nov	-143 +1,058				+17 +6			- 1 - 19	_ _	- 24 - 22	+204 +617
			1709/1104							TUR!NG				
	•			Total manu-	of which	Food, drink and	Chemical and allie	d manu-	€ng/ae	Other en ical gineerin er- and mets	s Ship- I bailding		Textile leathe and	T Other
	London clearing banks	1981		12cturing 8,473	7.965	1,132	826	454	78	1,852	459	Vehicle 484	685	1,800
_	Scottish clearing banks	1981	Nov 18 Aug 19	8,423 824	7,923 776	1,292 189	890 72	489 42	77(42		437 115	420 21		•
_	Northern Ireland bankst		Nov 18	931 130	878 129	228 38	117	46	4		121	21	64	143
	•		Nov 18	121	121	34				37			21 19	31
	Ali banks		Nov 18	18, 45 5 18,897	14,804 15,305	2,853 3,246	2,931 3,273	976 1,046	1,614 1,586		689 672	1,310 1,129	1,162 1,132	
	of which in sterling	1981	Aug 19 Nov 18	14,80 4 15,305		2,279 2,633	2,023 2,392	816 885	1,33 1,34		664 633	1,135 957	1,036 1,606	2,837 2,817
	Changes: in sterling	1981		+393		- 19	~ 89	+ 13	+150	-	– 5	+146	•	-
	in foreign currencies adjusted		Aug/Nov	+501		+354	+369	÷ 69	+ 5	• ⊢ 41	 3 1	-178	- 30	
	for exchange rate effects§	1981	May/Aug Aug/May	+ 25 + 27		- 58 + 53	~ 22 ~ 6	+ 18 + 5	+ 13 - 31	+ 63 L - 42	+ 15	+ 22 + 2	- 8 + 4	- 4 + 28
•	Advances only All banks	1981		16,673	13,052	2,498	2,581	822	1,478		688	1,137		
			Nov 18	16,433	12,909	2,746	-	841	1,368		664	905	991	
•				Total	of which in	Agricui	dry "	leing Zad	•	Total	of wi		CF house	
	London clearing banks	1981		4,510	4,456	2,64	12	290	1,578	8,109	8,10	ing p 10	2,768	Other 5,340
	Scottish clearing banks	1981		4,651 949	4,522 868		09	316 97 ·	1,665 143	9,034 807	9,02 80		3,436 257	5.598 550
	Northern Ireland banks	1981	Nov 18 Aug 19	920 248	838 248	60 19		102 5	155 51	919 193	91 19		328 51	591 143
-	All banks	1921	Nov 18	238 8.265	238 7.061	18 3,68	33	5 089	50 2,487	189	18	9	52	137
-			Nov 18	8,523	7,165	3,66	60 2 ,	261	2,603	11,593 12,871	11,54 12,81		3,816 4,721	7,777 8,15 0
	of which in sterling	TART	Aug 19 Nov 18	7,061 7,165		3,66 3,63	50 1, 37 1,	038 105	2,363 2,423	11,543 12,816			3,809 4,714	7,73 <u>4</u> 8,102
	Changes: in sterling	1981		+266		+23	3 4 +	31	+ 1	+1,207			+600	+607
	in foreign currencies adjusted		Aug/Nov	+104		~ 1	23 +	67 ·	+ 60	+1,273			+905	+368
•	for exchange rate effects	1981	May/Aug Aug/Nov	+ 97 +187		· :		101 132	- 3 + 60	+ 1 + 7		ŀ	- <u>1</u>	+ 2 + 6
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† Including lending under special schemes for domestic shipbuilding. ‡ The analysis provided by Northern Ireland banks differs slightly from other banks. Chemicals and allied industries are included indistinguishably in "Other manufacturing"; Metal manufacture, Electrical engineering, Shipbuilding and Vehicles in "Other engineering and metal goods"; and Transport and Communications in "Public utilities and national government." § The figures exclude as far as possible the effect of changes in exchange rates on the sterling yalue of advances in foreign currencies.

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FT COMMERCIAL LAW REPORTS

Withdrawal of consent to possession by notice

PERDANA PROPERTIES BHD V UNITED GRIENT LEASING CO SDN BHD Privy Council: Lord Diplock, Lord Russell of Killowen, Lord Bridge of Harwich,
Sir John Megan and Sir Owen Woodhouse

WHERE OWNERS of leased equipment notify the lessees in writing of their intention to assume immediate possession of the equipment due to the lessees' failure to pay the rent, such notice amounts to a withdrawal of consent to the sees' continued possession

of the equipment. The Judicial Committee of the Privy Council so held when dismissing an appeal from a decision of the Federal Court of Malaysia arising out of a dispute between the appellant, Perdana Properties Bhd, landlords of trade premises, who sought to distrain for rent arrears on trade equipment used by its tenant, and the respondent. United Orient Leasing Co Sdn Bhd. lessors of the equipment to the tenant.

LORD RUSSELL OF KIL-

LOWEN delivering the judgment of the Judicial Committee, said that the tenant ran into financial difficulties in 1979 and suffered judgments at the suit of its creditors. On September 3 the equipment, and no doubt other articles at the premises, were seized in execution of those judgments by the bailiff under orders of the Sessions Court. On the same day the lessors of the equipment wrote to the tenant . . in accordance with saying, "... in accordance with article 21(b) of the lease agreement and also your failure to pay the overdue rents, we hereby
... give you notice that as
owners of the equipment under

lease to you, we are assuming immediate possession of our equipment.

On September 4 the landlord of the tenant's premises took out arrears. However, that was not there was jurisdiction to order pressly said, "accordingly our pursuant to a relevant court the release of the equipment in consent to your continued posauthority, and on September 19, the present proceedings to the session of the equipment is a warrant of distress for rent arrears. However, that was not

claimed ownership of the equipment, the High Court discharged the warrant of distress on the ground of their ownership. On the same date the landlord took sections 10 shall not apply . . . out a warrant of distress, with the authority of a court order or disposition of such tenant by and served it on the bailiff of the consent and permission of the Sessions Court.

On October 22 the Sessions Court ordered the release of the equipment to the lessors and it appeared that the equipment was released to the lessor by the bailiff pursuant to that order on that date, but immediately afterwards it was, or was purported to be, seized under the landlord's second warrant of

On October 23, the lessors issued an originating motion in the High Court, seeking an order that the equipment be released to them. On November 15, the motion was dismissed with costs but that decision was reversed on appeal to the Federal Court. Final leave to appeal to the Privy Council was granted by the Federal Court on August 4.

The question to be decided arose under sections 10 and 12 of the Distress Ordinance 1951 (No. 28 of 1951). Section 10 provided: Where any moveable property ... of any ... person ... not being a tenant of the premises ... has been seized under a warrant of distress issued to recover arrears of rent due to an superior landlord by his

immediate tenant, such person may apply to a judge . . . to release a distrained article." It was not disputed that the lessor was the owner of the equipment and otherwise fulfilled the criteria of section 10. Thus,

at the instance of the lessors who lessor, if section 10 applied. the landlord, that section 10 was have had effect according to it excluded by section 12. Section 12 provided: "The provisions of

the true owner under such cir. Article 21 provided that, "Shon! cumstances that such tenant is the reputed owner thereof." The short point was whether in the light of the letter dated September 3, it could thereafter be said that the equipment was

in the tenant's possession by the lessor's consent and permission. Counsel for the landlord accepted that he must surmount that hurdle at the outset It was accepted that consent to possession could be effectively

withdrawn by a communication simply from the lessor to the tenants, without the need to inform the landlord; but it was contended (1) that for effective withdrawal of consent it was necessary that the lease of the equipment should be wholly determined, which the letter of September 3 did not purport to do; (2) that that letter, in the light of the language of the equipment leases, was, in any event, not an act which would convey to the tenant the fact that consent was withdrawn.

On point (1), their Lordships' attention was drawn to Times Furnishing Co Ltd v Hutchings /19387 1 KB 775, and Smart Bros Ltd v Holt [1929] 2 KB 303, but those two cases did not establish that the consent could not be withdrawn unless the agreement of lease or hire was terminated, and their Lordships did not accept such a proposition. If the letter of September 3 had ex-

hereby withdrawn," there wa It was, however, contended for no reason why that should no view that expres sstatement wa

inherent in the letter. With regard to point (2), 1 was necessary to look at the clauses of the lesse agreements any one of the following event

take place, the lessor may with out any prior notice on demand ... exercise any or all of the remedies as provided for b paragraph (1) of article I hereof . . on the lessee being the subject of any writ of execu tion or distress. "Article I, provided that, "(a) If the lesser failstopaytherent . . after the same becomes due . . . under the lease agreement . . the lesson shall have the right forth <u>shall</u> with to exercise all or any 0. the following remedies without having to give any prior notice

or demand to the lessee: (b) to take possession of the equipment or deman dits return.... It was contended that the letter of September 3 was a bad notice because it did not fit the language of articles 21 and 17 of the equipment leases. Their Lordships did not accept the relevance of that coment even if it were justified. The whole question was whether the letter sufficiently indicated a withdrawal of consent to continued possession of the equipment, and, in their Lordships' opinion, it clearly did. Appeal dismissed.

For the landlord: John Stuart Colyer, QC, Ong Bon Chai and G. S. Nigar (Nabarro Nathen

the lessors: Godfrey, QC, and Wong Kim -Fatt (Coward Chance).

By Rachel Davies

INSURANCE

BIA plans summer advertising campaign

BY ERIC SHORT

THE British Insurance Association, in conjunction with the Life Offices Association and the two other life company professional bodies, is to launch an adventising campaign this year that is likely to cost several million pounds.

The BIA says the general theme will be to reinforce the common interests between policy-holders, the public, and insurance companies. saying the scheme is still in out adequate insurance, the planning stage.

While the campaign

It has appointed Saatchi and

Spencer and Peter Easterby now

to complete the Champion

In winning the Mandarin

Chase at Newbury on Saturday,

Night Nurse almost certainly

put up the best performance

seen by a Gold Cup prospect to

Sound jumping allied to a

never-say-die spirit, are now the

RACING

BY DOMINIC WIGAN

veteran's chief attributes and it

was these assets which were responsible for his landing his

30th race in a jumping career

11 st 12 lb, Night Nurse showed all the courage that has come to be expected of him on the run-

in as he snatched back a race

which seemed destined for his

The runner-up, to whom Jonio

O'Neill's mount was conceding 11 lbs, is one of the most im-proved chasers in training, and

Night Nurse's stable companion,

Little Owl, will have to be jumping with his old fluency in

March if he is to retain his

Turning to today's racing, no

problems are envisaged either

junior Captain John.

Hurdle-Gold Cup double.

date this term.

Night Nurse tonic

NO 11-year-old has won the Gold for Ayr (lost through frost on

have grounds for thinking that Nurse's handler relies on Night Nurse can, at that same Cashea in the principal event,

Always taking his fences Hill Lad. Sure to have been boldly under the steadier of well-schooled by Mark Name at

ជិtness.

Cup since Mandarin, but Mr Reg Saturday) or Nottingham.

age, become the first gelding the Rilmarnock Chase.

ject. The result of their com-bined inspiration should appear on television and in the Press in the summer.

The insurance industry cannot claim many laurels from its previous advertising campaigns. The BIA's first venture into television in the late 1960s ended disastrously.

This campaign centred on a character named Fred whose message was to Beyond this bland statement, it strength of the insurance comwill not reveal other details, panies around you" by taking

While the campaign under way, Vehicle and General Saatchi, the public relations Assurance which had made a company which successfully spectacular impact on the car handled Mrs Thatcher's election insurance market, collapsed campaign, to deal with its pro- and left more than 500,000

the Northern fixture, Night

Cashea in the principal event,

A somewhat unformished re-

cruit from Arthur Stephenson's

one-time record-breaking Bishop

Auckland stable, Cashea cannot

be ruled out, now that he

appears to be returning to peak

that O'Neill has opted instead

for the already in-form Bobjob.

Effective over the minimum trip but ideally suited by a test of stamina in holding conditions. Bobiob did well to run Cara-

viro, to whom he was trying to

concede 20 lbs, to a length over 24 miles at Newcastle last time out. On that showing, he has chance second to none over

somewhat pretentiously titled Nottingham Champion Novices

Chase can fall to a recruit to

well-schooled by Mrs Jenny Pitman, Burrough Hill Lad proved himself a smart hurdler

first at Uttoxeter and then at Cheltenham on his only two

12,45—Manhattan Island

1.15—Final Argument 1.45—Luxuriate*

3.15—Lapa's Secret

1.30-Brave Jack

NOTTINGHAM 12.30-Karaherry

appearances last season.

2.15—Boblob*** 2.45—Hold Off

this exacting three miles. On the Midlands course, the

However, it seems significant

motorists without insurance. Vehicle and General was a member company of the BIA. but the association did nothing to help policyholders except to warn them that they had no insurance and could not drive until included they arranged cover with other.

advertising was in 1979 when the threat of nationalisation of banking and insurance again became a political issue. This move was adopted as policy by the Labour Party's National Executive Council, and there was strong pressure for it to

included in the party's election manifesto. The campaign cost about £500,000. It was quite small and confined to the Press. Its theme

was the role of insurance and insurance companies in serving the community. It concentrated on four aspects: the contribution to

overseas earnings; its investment in manufacturing and commerce, the service to policyholders in times of trouble, and its role in the country's savings.

The designs used in the advertisement gave all appearance of being put together quickly and there was criticism of the style of the message. Nevertheless, the BIA claimed that the Labour Party, if no one else, got the message.

This was to make it clear that if there was a real threat to the freedom of insurance, the companies would fight back Nationalisation of banks and insurance companies was not in the party's manifesto.

The insurance industry has The BIA's next venture into worked with Saatchi and Saatchi before. It handled last years Press campaign by the Life Offices Association to highlight the advantages of usire a life company that was a conember. of it or of its sister body, the Associated Scottish Life Offices. The campaign continued

throughout most of 1981 and consisted of the same tombstone advertisement—a massive slab of words only-in the daily, Sunday and trade Pre was considered inspired.

The effect can be judged in the next-few days when the life companies report their 1981 new business figures. Preliminary indications show it has not affected the business of life companies which are not members of the Life Offices Association.

The BIA has said it will reveal details of its campaign as soon as possible, although this may not be until it is about to be launched. It is to be hoped it will have more success than previous ventures.

HEATRES

M. J. H. Nightingale & Co. Limited

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U.S.\$120,000,000 Guaranteed Floating Rate Notes due 1984

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Corporation N.V.

CITICORP •

In accoradnce with the terms and conditions of the above-mentioned Notes and the Agent Bank Agreement dated as of November 28, 1979, between Citicorp Overseas Finance Corporation N.V. and Citibank, N.A., notice is hereby given that the Rate of Interest for the second one-month sub-period has been fixed at 141% per annum and that the interest payable for the second one-month sub-period in resease of the second one-month sub-period in the s sub-period in respect of U.S.\$10,000 nominal of the Notes will be U.S.\$113.78. This amount will accrue towards the interest payment due February 26, 1982.

January 4, 1982 By: Cidbank, N.A., London, Agent Bank

CITIBAN(

2.00-Burrough Hill Lad** Qualify bargains in: CHURCH & CHEANEY SHOES at our CITY SHOP 90 CHEAPSIDE 01-606 1587 Also at 163 NEW BOND STREET 58/59 BURLINGTON ARCADE 436 STRAND 112 JEHMYN STREET 143 BROMPTON ROAD and most branches of A. JONES & SONS.

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The theatre in 1981

Keeping back the aces

by MICHAEL COVENEY

The year closed with both Nunn and the RSC when it major subsidised companies comes to producing All's Well playing their trump cards. However you feel about Peter Hall's production of The Oresteu. it has aroused a higher level of the truly great Straiford nights. Peggy Asheroft returning to Avonside after an absence of 18 years as the Countess in a since the National moved to the Michael Bogdanov, has been diverted by a prosecution brought by Mary Whitehousehe goes on trial at the Old Bailey in March.)

Here at last was the National going for broke with a project any months, even years, in the hatching and the result was a triumph of collaboration between director, designer, com-poser and translator. Greek tragedy experts have been outraced, some critics confused by the use of masks and an all-male cast, but if the National Theatre means anything at all, it surely revival of Calderon's The Major

the grumbling anti-subsidy lobby whose spokesmen (such Gale) reiterate their clapped-out arguments from time to time be encouraged to syphon off oblivious to the fact that there some of its grant to support would be virtually no serious theatre in this country without this happening, somehow, public support. In a grim year It was a surprisingly good for the Government, it was year for musicals in the West therefore a great encourage. End: I enjoyed both Cats and therefore a great encourage. End: I enjoyed both Cats and ment to find the Arts Minister. Barnum at the time, but neither

interest than almost anything of 18 years as the Countess in a brilliantly designed version (by since the National moved to the South Bank in 1976. (I have not forgotten last year's The Romans in Britain whose director, simmicky ideas, moving from chekhovian splendour to a convincing military environment,
Helena's "pilgrimage" a mercy
dash to wounded soldiers at the
front. I hope it looks just as
through the PSC's new Lonmiret helena's great numbers, a decent book
the property of the property splendid in the RSC's new Lon-don base at the Barbican next

The closure of the Old Vic on May 16 is sad because of the loss of a great house, but times change and there is no real justification for a third subsidised classical theatre in London, An Old Vic company engage with the peaks of world London, An Old Vic company dramatic literature. Bogdapov's with an alternative, reonoclastic annroach (and I do not mean of Zalamen, translated by jolly japes a la Young Viel Adrian Mitchell, was another might be welcome. Say, for high spot, even if the productinstance, the Glasgow Criticens tion appeared fragile on trans—still the most exciting and ferring from the Cottesloe to the enterprising theatre in the land Olivier.

Occasions like The Oresteia could occupy the Old Vic for are the best possible answer to six months of the year and be responsible for running a reperlobby whose spokesmen (such toire of visiting foreign and as Kingsley Amis and George regional companies for the other six. The National should then

the venture. But I don't see

priately second-rate hymn to the second-rate shower ambi-tions of the fumous impressite. Michael Crawford was irresist-ible, singing has way along a high wire lowards an adulterous

relationship with the Singing Nightingale. Given my aversion to country music. I was agreeably sur-prised by The Best Little Whorehouse in Texas at Drury Lane, but the musical which mist. Less good were I'm Getting My Act Together and Taking it on the Road and The Mitford Girls, in which Ned year (the theatre, seating 1100, Taking it on the Road and The is large but intimate, with great Mitford Girls, in which Ned long uninterrupted rows of Sherrin and Caryl Brahms made seats, each row with its own the fatal error of mixing stanentrance, as in the big German dards with sub-standard new material.

The West End offered solid

revivals of All My Sons by Arthur Miller and Arms and the Man by Shaw, neither of which really set me alight. It is the creeping respectability of such productions that I dislike. their denial of what is left of my youth. I do not go to the theatre to be made to feel like an old man, or to be asked to write like one. Three cheers. therefore, for the arrival on the scene of a young producer. Robert Fox, who snapped up Mike Leigh's Goese-Pimples from Hampstead and put it into the Garrick (the show was like Greek tragedy in the suburbs. Aniony Sher hilarious as an Arab who mistakes the lounge of a car-salesman for a brotheli and then opened his own account with Anyone For Denis?, an inspired lampoon that treated Chequers as Brian

Rix farce territory. The best play in Shartesbury Avenue was Simon Gray's increase in funds available to the Arts Council.

I would like to know from Amis and Gale whom they consider capable of rivalling Trevor

Treaty lives with me down the quartermaine's Terms, in which a tatty English language school in Cambridge became a resenant graphed by Gillian Lynne, was the first genuine British dance musical, and Barnum an appro-

acting-by Edward Fox, Pru-nella Scales, James Grout and nella Scales. James Grout and Robin Bailey—as good as any all year. Maggie Smith was suporb in Edna O'Brien's Virginia at the Haymarket, as was Simon Callow in The Beauthy Beatitudes of Bellinaar B at the Duke of York's, This latter, an adaptation by J. P. Beatleann as his own novel. Donleavy of his own novel, failed to find a resonant theorical language for the scintillating prose, but many admired its pluck more than I

Callow was also seen to good effect in a sumptions revival, by David Hare, of Christopher Hampton's Total Eclipse at the Lyric Hammersmith and as the Coppish Lord Are in Edward Bond's Restoration at the Royal Court, a play almost scuppered by Bond's own production but fascinating in its refusal to accept the social history of most Restoration drama at face value. Bond's presumption is anothered to most critics—but I must say a little of his cantankerous inquisitiveness would not have gone amiss on the National's stately revival of The Second Mrs Tanquerry in the Lyttetton, which was neither melo-dramatic fish nor sociolexical fawl. Why do it at all, except to give members of the Gerrel.

Club a warm interior giow? Returning to the National, I

much preferred Michael Rud-man's black Measure For Measure, full of carrival high spirits and some very good acting, and the black revival of The Caretaker. I hope Rudman same virtues of integrity and does not allow fushionable accusations of tokenism to stick, and brings back Norman Begion, Oscar James and other PSC's small Stratford house. fine black artistes into the company. The Cottesloe had a hitand-miss year and it was disappointing to see Peter Gill's year in the Olivier start magni-





Elizabeth Quinn in 'Children of a Lesser God'



Helen Mirren in 'The Duchess of



Simon Callow in 'The Seastly Beatitudes of Balthazar B'

Wilton and Michael Gambon. This was Shakespeare without Riscis. impulse or passion, two admittedly original star talents operating in a nebulous void. The Lyttelton transferred the sible enthusiasm. Alan Howard was magnifi-cent in The Forest and also in best play of the year. Brian Friel's Translations, from the in-dispensable Hampstead Theatre.

Variously hailed as a modern classic, the best Irish play since O'Casey, a theatrical disquisi-tion on structuralism, and an evocative slive of rural history, Translations seemed to have everything: in addition, Ian Bannen's bibulous school-Much livelier were Hands's productions of Troilus and Cresside and As You Like It. master acquired a seedy majesty en route to the South Bank. Translations, of course, really dates from last year when it It is one of a critic's func-tions to remind theatres that was premiered by Friel's Irish touring company, but its pre-

the year's good stories, and heartening for such as myself who eajoy high quality small-scale work but enjoy seeing the panache growing up in more popular arenas.
That said, along comes the The Other Place, with a record that transcended even its own puritanism outliving its usefulhigh reputation under Ron pass. The English Stage Com-Dinible's stewardship. Adding pany (the Court's producing Noble mounted brilliant revivals

Barry Kyle's production of The Mc d's Tragedy, including B. A. Young, expressed themsolves in language of irrepres-

the late C. P. Taylor's Good in the Warehouse. But his Richard II and Richard III (coming to the Aldwych from last year's Stratford season) suggested that Terry Hands's idea of doing all the histories as backgrounds to an actor investigating a role as an actor is wearing a bit thin.

other theatres work in different ways that might be worth studying. An actor said to me this year that William Gaskill once saw the Berliner Ensemble in 1956 and no one at the Royal Court has seen anything else since. Much as I enjoyed the Court's productions of Touched by Stephen Lowe and Borderline by Hanif Kureichi, there is a real danger of the Court management) celebrated its 25th anniversary with an Irish The Seagull, which received rave notices. Similarly trapped

Everyone who saw ford East, which was also 25 yie's production of *The* years old and fought back tragedy, including strongly in the face of unoung, expressed them founded rumours about losing its grant

The Mermaid re-opened disastrously with Eastward Ho! but rallied by providing a launching pad for Children of a Lesser God which Trevor Eve and Elizabeth Quinn carried triumphantly into the West End. In the regions, the Glasgow Citizens, as usual, led the way with a marvellous serson: Marlowe's The Massacre at

Paris. Vernon Sylvaine's splen-did old farce. Modome Louise, a revival of last year's reduced. Proust. A Waste of Time (as brilliant a statement of company policy as the RSC's Nicholas Nichleby), and a First Quarto Hamlet set in a mad-

Julie Covington was a com-pelling Saint Joan in Cam-The Oxford Playhouse bridge. had an unrewarding look at Philip Barry's 1939 Phila-delphia Story but came up trumps with Mephisto (seen later at the Round House). The Max Wall / Trevor Peacock (Adrian Noble's third fine proin a house style, perhaps, is duction of the year) and Tom the Theatre Workshop at Strat-Courtenay in The Misanthrope.

The Oldham Coliseum con tinued its spectacular run under Kenneth Alan Taylor with a play by Joe Ashton MP, Majority of One, and Alan Bleasdale's vasectomy clinic farce, Having A Ball! There was an attractive Rosmersholm at the Watermill Newbury. and a stunning production by young Michael Boyd of Ron Hutchinson's Risky City at the Belgrade, Coventry. David Hare's Knuckle came up gleaning in a production for Particular in the Particular

ing in a production by Rob Walker at Leatherhead.
Other random highlights:
Underneath the Arches, a hommage to the Crazy Gang, at Chichester, Les Blair's Four in a Million in the Theatre Up-stairs (Tracey Ullman outstanding), Peter Nichols's Passion Play at the Aldwych (one of the top three plays of the year). Mike Weller's Loose Ends at Hampstead, the London International Festival of Theatre's presentation of Macunaima from Brazil, the re-opening of the Palace in Manchester, Peter Hall's A Midsummer Night's Dream at Glyndebourne (the best opera production I have Royal Enchange of Manchester ever seen), and the take-over were also seen to advantage at of the Liverpool Playhouse by the Round House, notably in a four local writers. Abroad, there was Peter Brook's The double act in Waiting For Cherry Orchard in Paris and Godot, Helen Mirren and Bub the Rustaveli Theatre's cen-Hoskins in The Duchess of Malfi tenary in Georgia, USSR. Well, surface: who says the theatre is

Feminist theatre divides to rule by ROSALIND CARNE

Naturally we scorn such The show consisted mainly of criticism, though women per- songs and monologue, with formers still struggle against minimal interaction between full-time musician. I am sorr: convertion for the courage to the three women performers. The convertion for the courage to amus. We might find it harder to refute the charge of and a sprinkling of dance. Structure, such as it was, hung on content, not form, and there insularity, and I cannot help was no obvious attempt to prosensing it to be oddly approvide stylistic balance. I found priote that, of the many it refreshing not to be bomfeminists shows I have seen this barded with light interludes. year, the most original and sensing that here was a director

de Investigacion Teatral, arrived professionel and slick, women and more significantly, the play Upstairs, at Riverside Studios for a short performers are attempting to is strong on ideas, and at its best stint in May. It details the ject matter with snappy pre- offensive, rather than basking This delicate, disturbing piece Fell moles a strong attack on efforts of four women to run a sentation. tapestry co-operative in the rundown suburbs of Santiago. Studio, Hammersmith, closely Though transcribed by David rivals Steaming in stylistic Benavente, an established appears competition but compara-Chilean playwright, n remains tive assessment is hardly out of inextricably linked to female place for a show which so experience and it is this which successfully adopts the male

director Pom Brighton (nome the stage in favour of gigs and

challenging were overseas imports. who trusted her audience to cope without the traditional ensemble package. Indeed, my challenging were overseas imports.

Tres Marias y Una Rosa, a naturalistic workshop production by the Chilean group Taller tion to the desert scenes. However, again the overseas influence limits of performance art, a Among the male writers who tended to broach the topic, the overseas influence limits of performance art, a Among the male writers who tended to broach the topic form which reached its feminist have dared to broach the topic.

Among the male writers who tended to prove the deficial, though overseas influence limits of performance art. A Among the male writers who tended to broach the topic form which reached its feminist the overseas influence limits of performance art. A Among the male writers who tended to broach the topic form which reached its feminist the work of the overseas influence times a feminist the overseas influence time

compensate for inadequate sub-Trafford Tanzi, at the Lyric brayura. Of course Jeminism illumines the work.

An equally impressive newcomer to the London stage was
Australia's second best superstar. Robyn Archer. She and

a Telephone Wire) 13 giving up writing in order to become a

threw the Women's Theatre her daugher and the hostess Group into the unfamiliar territory of Muslim Algeria. Once hover around the ill-defined on the intellectual and political

Court's Theatre Upstairs outstanding contributions to from psychoensiptic sources women's theatre this year

methods of male entermination. So, in some sectors at least, the London stage is in tune with the pulse of history. Sara Doniels' play is busy.

bright and imaginative, tread-

ing a thin line between savagery Another writer who deserves and funtasia, touching on bur-mention is Timberlake Werten-lesque as she carries as heaven-baker. Her New Anatomics wards to meet the Mattiarch.

Certainly performance artists London's Asian community. should have been either non- are neglinning to make free with British or ferociously entreme, sexual archetypes, a welcome

Foes to women's liberation from Canada) devised an outcontinue to berate feminists as
narrow-minded and humourless.

Naturally we scorn such

from Canada) devised an outrecording. Indeed, I hear an attended was devoted to women
the recording. Indeed, I hear an attended was devoted to women
the term "feminist" here—for
wright Donna Franceschild
(Soap Opera and Top Dance on
The show consisted mainly of the women's movement today. Suffice to sty that feminism of every hue has infiltrated mainstream theatre down to the silliest Christmas panto. The emancipated woman is as much a figure of our epoch as competie's Young Werther or the niveleenth century rags to riches heroine. Hardly a new play emerges without a hint of

the sexual turmoil which the Movement has evoked. Among the male writers who (Unfortunately I frustrated would-be father in missed her floring at the same Look Ends. James Saunders theatre earlier in the years) whose eleverly constructed in the shade of period feeling. of theatre touched on the rela- fermiosis which, however dis-First prize for the most tirely unexplored ground (in care the deserves to be heard, successful and outspoken deliop women's theories of male forms. Peter Whelen whose Accompton of revolutionary feminism goes and the devouring mathem Prin employee one woman's to Sara Daniels for Ripen Our figure. It would be interesting employed deprivation during Derkness which ran at the Royal to know how much of this is the First World Var and finally in personal to the writer and have Handl Furcishi, whose Berrier-August. I am intrigued that the much is derived consciously line studies the effect of racism and serism on a woman in-

I can recall only one attempt Could this mirror current development despite the more through feminist eyes. The strains in the Women's Movement despite the more through feminist eyes. The ment? The last conference I groups like Cunning Stants.



Natasia Morgan in 'Mother's Arms



Georgina Hale and Brenda Blethyn in 'Steaming.'

currently showing at the off eroticism in its attempt to National Theatre. One must attack sexism. Nowhere in the apploud the bravado, but I three plays could I detect any loathed the result. Yvonne hist of affirmation of woman-

of the One Woman Plans tivist feminist school which kills-, the undoubted : sparks of thought or feeling. So. a challenge for 1982? Can some ne present a show about sexual politics, without avoiding sex?

Photographs by Leonard Burt

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F.T. CROSSWORD PUZZLE No. 4,762

ACROSS

I A table lap that could cut 10 One with proves metal is like

11 An himless person is not so Pweet about this paper (7) 12 Do it without a learner and it's crazy in Scotland (5) 13 Take dill musture and gossip (4, 4)
15 Doop kitchen utensil-found

pacifically? (5, 5) 16 Intend to be average (4) 18 A source of light in Scottish seaport (4)

hair on pod (10) 22 Left one a little solitary (8) wanauy (20)
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28 Monager doing hadly as a marplot (3, 2, 1, 6) DOWN elements with

teristic smack (7)

3 it could be trying, so it's haisterous (3)

4 Wag a comb (4) 5 Communist naval officerone that flies (3, 7) 6 Join it in French article (5) 7 Produce a chemical reaction

with it right inside gallery

(7) S Difficult to believe it could be like a large tablet (4, 2, 7)

9 Smashed up shingle? It's difficult to understand! (6, 7)14 Growing rice and fruit for a

26 Protective clothing including 19 Strive to study and nurse

21 Substitute salesman with

decorative textile product (7)23 A hawker's licence in colloquial language (5) 2 Home of refuce giving two 25 Sergeant Major embracing copper in matter coming to

the surface (4)

The solution to last Saturday's prize puzzle will be published with names of winners next Saturday.

an area and the second of

ELECTRONICS

Three strong areas of growth

DR WISSE DEKKER, chair catalogues and bank balances."
man since January 1 of the • Telecommunications: Dutch electrical giant Philips, foresees three strong areas of -growth for the world's elec- momentum faster than most of tronics industry. He cautions, us expected," says Dr Dekker. however, that if European companies are to grab their share be expanded to handle data of these markets then European transmission alongside the governments must develop a traditional voice signals. This more coherent industrial will create substantial demand

starting to reach equipment 'saturation point, a number of new products have emerged. Video cassette recorders, video disc players and video cameras will provide the (modified) television set with a host of new

"For the more technically minded, personal computers may take on the chore of house-hold bookkeeping or small business administration. The com-puter and the video screen could form the core of a system for calling up and displaying newspaper pages, filing documents.

SEMICONDUCTOR CONSUMPTION

(mill	ion of d	ollars }	
	1980	1987	1982
Integrated cit	cuits	_	
World total	9,772	9,337	10,208
U.S.	4,721	4,539	4,863
japan	2,269	2,632	3,026
Ецгоре	2,317	1,668	1,769
Others	465	498	550
Discrete com	ponents		
World total	4,186	4,303	4,366
U.S.	1,318	1,364	1,403
Japan	1,169	1,519	1,500
Europe	1,192	923	938
Others	507	497	525
Total			
Wanda	74 170	12777	14.734

STEEL

Three key international issues

Source: Detequest

"THERE IS a danger that the United States will try to stop all imports of subsidised European steel unless the present anti-dumping dispute is resolved satisfactorily. This would lead to other European producers trying to sell more in our market, and would put our efforts to stabilise the European price structure at risk. Unless excess steel industry improves its price capacity in Europe is elimina- structure unless it is going to structure at risk. Unless excess ted this will also threaten the price structure. And we have to ensure that steel from outside mers have to appreciate that we the EEC is not allowed to cause are primarily doing no more price wars on the European than restoring real prices which

market.' Thus, Mr Ian MacGregor chairman of the British Steel Corporation (BSC), sums up the international aspects of problems which will confrant him and other European steel

producers this year. Ask steel manufacturers in, for example, the U.S. to identify the heart of the problems facing the worldwide industry and they are likely to point to the heavily subsidised European steel mills. Many eyes are on Mr MacGregor because, if he is to succeed in his primary are likely to be renewed for task of making the heavily loss- some time to come, but you making BSC viable, he has to solve not only internal problems but influence the international ones as well. This is how he sees

some of the key issues. Anti-dumping: "There is no doubt that some European EEC producers have to reduce producers have flooded the U.S. capacity as BSC has done. It market with all sorts of stuff. which makes it hardly surpris- action soon. I believe the acid ing that American steel companies are demanding protec- Belgium."

Public telephone networks will

"In this area particularly,

developments are gaining

for more sophisticated switch-"Home electronics is a ling equipment and for optical straight expanding field. At a libre based 'lines,' This will be time when most important mar- accompanied by a move from kets for audio and video were analogue to digital switching equipment.

• The integration of telecommunications and data process-

fast growing office automatisation market is starting to create a need for complete equipment systems including word processors, display stations, telex machines, filing equipment, office computers and telephone exchanges.

The growing interdependence of communication and information services is already forcing those companies which do not offer both disciplines to acquire them. L. M. Ericcson's has bought Data Saab, while IBM wants to buy a stake in the communications industry.

One reason for the tough competition in the epira developing world is the protective barriers behind which much of the European electronics industry operates at home, says Dr Dekker.

Yet these trade barriers are only supporting a weak and fragmented industry which will never be able to withstand tough international competition. We desperately need a common European industrial

policy." says Dr Dekker. With only a few companies large enough to afford the billions needed to develop new products, a combination of forces is the only answer.

"I believe that there will be

an attempt to re-establish the

U.S. trigger price mechanism, and that the EEC commission

may extend the production

controls which apply to the

European industry to cover

essential that the European

continue to be a huge drain on

national exchequer. Our custo-

have been subject to enormous

rebates and under-cutting in the

last few years. We will not be imposing prices which disadvan-

tage European manufacturers

against those in the U.S. and

governments have unanimously agreed that subsidies are to be

phased out by the end of 1985.

reduction of capacity which is essential to stabilise the Euro-

cannot run an industry on pro-

duction controls for ever if you

want it to make the best use

of market opportunities, Normal

market conditions have to be

restored, and this means other

would be good to see some

test will be what happens in

"The EEC production quotas

Restructuring: "The EEC

"It is absolutely

sales to the U.S."

Prices:

CHARLES BATCHELOR when prices slumped to a 3-year low.

to a potential shortage of vital raw materials.

embargo on grain sales to the Soviet Union imposed by his predecessor in protest against the invasion of Afghanistan. The embargo was lifted in spite of the Russlans suffering a dis astrous barvest for the third year in succession. The Soviet crop, now estimated at 175m tonnes, was 61m tonnes below the official target and appeared to confirm Russian inability to produce sufficient grain even when desperately needed. The sharp increase in grain import requirements by Communist bloc

crops in the U.S. and other main exporting countries. But the depressed prices may well discourage efforts to go on producing

of the U.S. announcing a new embargo on all exports to the Soviet Union if the situation in Poland worsens. But in the long term Western world grain producers, including the EEC, can expect an expanding market in the Communist bloc and

and paper industry in the view of the year and use the oppor-

and repairs.

of Mr Bo Rydin, managig direc-

tor of Svenska Cellulosa (SCA),

the biggest of the Nordic manu-

facturers. But he adds that the second half promises increases

in demand and prices for almost

all grades and producers should

experience a good year in 1983.

even in the most efficient com

panies. SCA will not reach its

The Nordic manufacturers

failed in the last quarter to

establish a price of \$600 a tonne for bleached sulphate pulp, the

leading category, and had to settle for a listed price of \$580,

at which U.S. producers have

They have already conceded

1970s, thereby delaying price

increases, My Rydin argues. In-

been selling domestically.

ALAN PIKE 1980 pretax earnings of SKr 688m (£65.5m. \$125m) achieved

on sales of SKr 6.7bn.

Profit margins shrank in 1981

TIN FT COMMODITY INDEX 270 £ PER TOBBLE SUGAR COCOA RUBBER 300

COMMODITIES

Milestones in a year to forget

BY JOHN EDWARDS

COMMODITY producers and traders view 1981 as a year to forget. In most markets poor demand resulting from the recession in the industrialised world has put unrelenting downward pressure on prices. In many cases, notably coppe and other leading base metals, prices are well below the actual

cost of production. Agricultural products have not done much better. The weather was kind at a time when consumption was at a low ebb, and the resultant surplus depressed markets.

The Financial Times commodities index has dropped below 250 (1952=100) after touching a peak of 276 in August. But the index includes both sterling and dollar prices and is, therefore, influenced by currency changes. The Economist commodity dollar index, for example, fell by nearly 18 per cent during the past year, while the sterling index was 0.6 per cent higher. Currency changes, and inflation fears, remain a major influence in the markets. The high interest rate in the U.S. discouraged speculation to a large extent and helped bring some stability back after the violent fluctuations in 1980. Nevertheless, 1981 in hindsight may turn out to be a year

to remember. New commodity agreements between exporting and importing countries were negotiated for cocoa, coffee and tin. Also the first ever international natural rubber agreement became operational (starting support buying in November)

Other milestones were the first purchases by the U.S. strategic stockpile for 20 years demonstrating the determination of the Reagan Administration to reduce U.S. vulnerability

failure of the President Reagan also recognised the countries is likely to have a dramatic impact on the world food supply-demand balance in the years ahead. A shortage was only avoided this year because of bumper

record crops, even if the weather remains favourable.

Prospects for other agricultural commodities are none too bright. A severe frost in Brazil last July halved the forthcoming coffee crop, but this essentially only reduced the likely surplus

predicted. The fall in potential Brazilian output, however, did enable new International Coffee Agreement to be negotiated for the 1981/82 season and the restriction on export quotas has stabil-

ised the market.

The International Cocoa Agreement, which came into force on October 1, has not been so successful. The \$230m fund carried over from previous agreements proved to be insufficient once support buying operations started. Moves are being made to borrow more money, using the existing stocks acquired as collateral, but the agreement is handicapped by the fact that

the world's biggest eccoa producer, the Ivory Coast, and the biggest consumer, the U.S., have both refused to join.

Another surplus of production over demand is being forecast for the 1981/82 season, but consumption is recovering fast as a result of lower prices and the agreement should help the

The same applies to natural rubber. Support buying by the buffer stock of the International Rubber Agreement has helped remove some of the surplus created as a result of a sharp drop

Once consumption recovers, prices could rise strongly, but the prices are at their lowest for three years in view of depressed demand following the slump and decline in tyre sales. In the metal markets, production cuts have meant that there has not been the normal build-up in surplus stocks in spite of the prolonged fall in demand.

Copper stocks in the London Metal Exchange warehouses, copper stocks in the Loudon initial exchange waterbuses, for example, have risen marginally to just over 120,000 tonnes compared with the peak of over 645,000 tonnes reached during the last recession in 1978.

Temporary shortages as a result of supply cut have helped hoost metal markets, notably zinc which in 1981 reached its

highest level since 1974, in spite of sluggish consumption. Record prices for tin in recent months have been caused by a support buying campaign since July by a mysterious group, as yet unidentified but believed to be representing producer interests. The group has spent an enormous amount of money in taking surplus tin off the market. The decision of the U.S. stockpile to extend tin sales to foreign, as well as domestic, buyers may well force the group to withdraw shortly with a

Other metal prices are expected to rise in 1982, if only because they are so depressed. The low level of stocks and the production cuts could well create temporary shortages and soaring prices, once consumption recovers to more normal

CHEMICALS

Optimism for the year

been little short of disastrous for the European petrochemical industry. But Mr Robert Horton, managing director of the UK-based BP Chemicals, is comparatively optimistic about the outlook for 1982 and beyond,

Admittedly he thinks that the first half of the New Year will be "rough." He says this seems "inevitable because of the pro-lynging of recession in the U.S. which will lead to aggressive tactics by American chemical producers in such deep sea markets as the Far East and Latin America. But Mr Horton is expecting

to see a growth rate of around 11 per cent for European chemicals. After a "fiat" first six months, he is looking for a growth of around 2 per cent in the second half—giving a 1.5 per cent figure for the year as a whole. What is more, he predicts that 1983 will be a " good for the chemical

industry.
"I don't think we can look for more than 11 per cent in 1982," he says. "The West German GNP is unlikely to rise by much more than 1 per cent and the West Germans are the locomotives as far as chemical growth is concerned."

Overcapacity will continue to bedevil the European industry. The degree of overcapacity in 'c chemicals varies from one product to another. But Mr Horton, like most other senior

chemical company executives. reckons that an average cut of 20 per cent to 25 per cent is

Yet he points out that under the impact of recession, European producers have already made considerable progress in reducing capacity. He cites ducing capacity. linear low density polyethylene one of the major plastic raw materials—as an example. During the last few months of materials—as

THE LAST 18 months have 1981, the German-based BASI the UK-based Imperial Chemic Industries and BP Chemica itself cut European LDP capacity by well over the

tonnes between them. Mr Horton forecast furth plant closures in 1982, include perhaps some basic ethyla

crackers. Cuts in capacity should be to an improvement in chem prices. Mr Horton says 1 profit margins on some produc are still "ridiculously low" at prices "must go up." He ad however, that the present tre on pricing is "positive patchy." Some attempts to ra prices have been defeated b margins generally have be improving over the last te

months. On the capital spending, 1 Horton says theme is ", question about it—there will; a big cutback." He states the some companies are now comp to the end of capital spendi programmes that were original ally planned some years ago at this could have given a misles ing picture of chemical inve

ment trends. BP Chemicals itself Europe's biggest producer ethanol and as such it has a pr eminent place in the market. 1982 the company will bring stream its new £57m ethan plant at Grangemouth in Sc land and Mr Horton is pleasto note that the project is ahe of time and under budget.

"I don't want to soul euphoric about the outlook ge eraily," he says. "And I adm that I am probably mo optimistic than some others though only marginally. But think the business cycle w assert itself. I think 1982 will be better and I think we're for a strong 1983."

SUE CAMERO

ENERGY

Greater hope of price stability

THE OIL INDUSTRY is enter- oil demand in 1982 is son ing the New Year in the relief after two year of fallir expectation of price stability, orders. "Forecasts of a rel according to Sir Peter Baxendell, chairman of Shell Transport and Trading and a managing director of the Royal Dutch/Shell Group.

As Sir Peter points out, the new pricing climate makes a have to have a lot of nerve to refreshing change. "We are in make forecasts after what he situation now whel there is a gone on in recent years." greater hope of stability in oil prices than we have seen for coming months energy con many years. I would expect this panies will continue to "ratio to last at least through 1982, You have got to be im- some of

sed with the Organisation of Petroleum Exporting Countries has hung together despite the difficulties and stresses of the past year." That unification agreement will have a major impact on European oil companies in 1982, Sir Peter says. Companies like no longer be at a competitive disadvantage to several major U.S. groups which, for much of 1980, have enjoyed access to relativevly cheap Saudi Arabian crude oil.

We have been fighting in the market with one hand tied behind our backs," Sir Peter says. Not that he expects much relief from a tough, depressed oil products market.

"I think we are going to see a continuation of a pretty com-petitive market." He points out that there is now 40 to 45 per cent over-capacity in the European refinery industry and is little chance of much growth in product demand.

But even an expected "fiat"

Oil Consumption (a) Stock Change +/(-) (b)

Other (d)

of which OPEC (c)

Primary Oil Stocks

(Min. bbls)

Days Supply (e)

WORLD OIL MARKET OUTLOOK 198

(2.5) 47.0

(a) Excluding Centrally Planned Economies (CPEs); (b) Includes

(e) Stocks expressed in terms of following quarter consumption.

loss, changes in oil affoat, unaccounted for consumption; (c) Include NGL output; (d) Includes U.S. processing gain and Net CPE export

4750

Source: James Capel, BP Statistical Review, November J.

tively flat oil demand implic some pick up in the econom We would expect to see that i 1982. I hope that we hav reached the bottom of th trough-but I don't know. Yo have to have a lot of nerve

Sir Peter says that in the alise" (scrap or mothbal their producir petrochemical industries. The petrochemical industry

"bell weather" As a result it h
"We are takir economy. suffered. strenuous action to minimi the effects of the drop demand. But you would ha Sir Peter says. Companies not demand. Dat you will be Shell and British Petroleum will to see a major pick-up in the economic situation to around petrochemicals." But not all is gloom

coal, metals and internation gas activities are going well. am optimistic about our bu ness as a whole. The challen is for us to maintain technolo. leadership. When you lo around at the multi-billidollar energy projects y realise that there are not ve many companies which can ta

these things on.
"We have never recruits harder for technical peop Last year we took on 900 tech cal graduates in Europethey are very good quality people too."

48.2 24.0 24.2

WORLD APPARENT STEEL CONSUMPTION

	(to	nnes million	s)		
	1980	7987 (estimate)	ercentage change 80/81	per 1982 (estimate)	centage change 82/81
. U.S	118	131	+ 10.6	136	+4.2
EEC	109	162	-6.3	107	+4.7
lagan	79	72	-9.3	74	+3.5
Other Western industrialised					
countries	60	61	÷1.8	66	+7.5
Developing countries	99	99	+0.7	304	+5.0
Comecon	207	204	-1.4	. 204	nil
China & North Korea	50	46	-8.0	46	nil

unchanged prices for the first three months of 1981 and Mr Rydin is not counting on any increase in the second quarter Manufacturers will not "put money into stocks," as they did during the recession in the mid-

			TEL CELLEASE	per .	reliette
	1980	1981 (estimate)	change 80/81	1982 (estimate)	change 82/81
U.S	118	131	+ 10.6	136	+4.2
EEC	109	162	-63	107	+4.7
Japan	79	72	-9.3	74	÷3.5
Other Western industrialised					
countries	60	61	÷1.8	66	+7.5
	99	99	+0.7	304	+5.0
Developing countries Comecon	207	204	-1.4	. 204	nil
China & North Korea	50	46	-8.0	46	nil

"AEROSPACE

Confidence, but major decisions ahead

one for the partly State-owned, partly private owned. British · Among the highlights of the

year have been the receipt of orders from the U.S. Marine Corps for the AV-8B Advanced Harrier jump jet fighter, and sales of the Hawk, of various from the U.S. Navy for the missiles and of civil and mili-Hawk trainer, as well as further tary communications satellites. orders for Rapier ground-to-air missiles and various communica- second main concern will be in tions satellites. During the year, the civil market, where demand the BAe 146 four-engined for new airliners has been regional airliner made its suc- severely damped by the con- business the profits earned by Aerospace, and of the UK aerocessful maiden flight,

Sir Austin Pearce, chairman of He believes that the rate of British Aerospace, is optimistic growth of air travel in the years the group in 1982 will be for the coming year, although shead may not be so great as whether to become involved, and to go out and sell," he says, there will be several major many had originally supposed, to what extent, in the projected "That is the name of the game concerns, and some major new British Aerospace nevertheless A-320. 150-seater Airbus, decisions to be taken. The first remains optimistic on the long- decision is likely some time in

spending, in the light of congramme, with a slow down of deliveries.

To counter this there will be

Sir Austin says that the tinued recession in air travel.

THE PAST year has been a good concern will be the level of term future, and is making con- the first half of 1982. continued government military siderable investments in civil aircraft. Aerospace. The group expects to straints on the defence budget. continued expansion of production with much of the first term of the first going up from four aircraft to try, including Rolls-Royce and eight a mouth, white there will continue to be substantial spendfurther good opportunities for ing on production of the 146

> this investment will eventually number of overseas countries. yield profits, this will take some time. In the interim the group with have to ride this cash outflow, ploughing back into civil other activities.

The other major decision will These include the be whether to continue the cur-

equipment companies) of the

P-110 combat aircraft for the mid-1980s and beyond. British Aerospace is discussing colla-While the group is confident boration on this project with a especially in the Middle East. For the longer-term, Sir Austin is confident of the continued profitability of British ther activities. space industry generally. He Among major decisions facing recognises that it will not be without problems. "We have got A so far as we are concerned."

MICHAEL DONNE

1980 1981 (est) 1982 (est) 171.2

1979

Demand for newsprint and the outlook for newsprint users

magazine papers will not be is further price increases in

WORLD PAPER AND BOARD OUTPUT

PULP AND PAPER

Investment is the 'big headache'

tunity to effect maintenance period with only small price

The

tracts have been signed for the

rises. But, again, stocks are

turers, who exert a strong in-

fluence on the West European

newsprint market, will intro-

duce some new capacity but Mr

Rydin calculates that they

need to maintain prices. Thus,

Canadian manufac-

THE FIRST HALF of 1982 will stead they will take downtime strong in the first half. Mr the second half, be "rather tough" for the pulp at the mills during the first half Rydin believes, and most con-Mr Rydin is su

The message for Common

Market paper makers is that

they will have to secure better

prices in the second half. They

should be able to do so, Mr

Rydin says, because they too

are no longer holding heavy

				170	174
orth America Europe	69.5 41.5	72.4 44.8	71.5 43.7	72.7 42.4	73.4 42.4
WORLD		PULP (m tonnes)		OUTPUT	
	123.3	128.9	130_3	128	130.7
rth America		64.8	65.8	66.5	67.4
. Europe	25.9	27.8	27.7	26.2	76.2

AIRLINES

The big task is to control capacity

5 to 6 per cent compared with 1983. 3 per cent in 1981, the world air transport industry's finances

director-general of the International Air Transport Associathe operating losses on interand \$10n, but when the airlines' heavy interest burden is taken into account, the deficit for 1981 may reach about \$2.1bn. Interest payments alone in 1981 thus amounted to around \$1.2bn an increase of more than one-third over 1980, and they could be as high as \$1.6bn in 1982. This will be in addition continues to depress traffic in

Mr Rydin is surprisingly bul-

lish about the prospects for fine

papers. They have been suffer-

ing from a weak market, while

stock movements have pro-

duced price fluctuations and

some smaller mills have closed.

many Continental fine paper

makers, however, Mr Rydin

holding down prices

taking 1982 as a whole."

does not see surplus capacity

The strength of the dollar

(in which pulp and many paper grades are priced) will attenuate

the toitial weakness of the market in 1982 for manu-

facturers. Mr Rydin points out.

European mills against the

North Americans who exploited

the cheap dollar to make in-

roads on the European market

In the longer term, Mr Rydin

predicts, the difficulty for many

pulp and paper companies will be to maintain efficiency. The

big headache" for the industry is how to finance sorely needed

investment in modernising and

WILLIAM DULLFORCE

during the mid-1970s.

rationalising mills

A strong dollar also increases

competitiveness of the

when

Contrary to the attitude of

Mr Hammarskjold points out, however, that this is a "worst remain poor.

Kr Knut Hammarskjold, out to be a lot better. case scenario." It could turn

If the airlines can control the growth in capacitytion, estimates that during 1981, the number of seats they offer -the industry could still make national scheduled services an operating profit in 1982. But amounted to between \$900m the growth in capacity—too many seats chasing too few passengers is only one of the industry's problems. Others have been uncontrollable rises in costs-such as fuel, and airport user-charges - neither of which the airlines can do much about.

The world business recession. to the deficit on operating intermany parts of the world; "de-

THE OUTLOOK for the world's national scheduled services of regulation" in some markets to their financial managers THE OUTLOOK for the world's national scheduled services of regulation in some markets to ident manager airlines in 1982 remains bleak, about \$1.15bn in 1982, with a bas resulted in almost un- to their marketing men," bridled competition; while says.

there are still too many old and increasingly inefficient aircraft in the world's jet fleet. Governments, moreover, have failed to ensure that fares rises keep pace with increases in costs—the IATA estimates that at any one time the world airline industry is running about \$1bn behind rises in costs cash that it has to find from its own resources before being allowed to claim some-

thing back in increased fares. Mr Hammarskjold believes that controlling the number of seats offered is probably the biggest single task confronting airlines, along with efforts to improve revenue yields. They have to pay as much attention

161

At the same time gover ments, who ultimately conti all that happens in world : transport, must also be mo sensible in the regulato policies they impose. "What-needs to be ke

clearly in mind," says Mr Ha marskioid, "is that in an inte dependent business. Ike inte national air transport, there no room for extremism, be the 'open skies' theory adv cated by some, or protections. favoured by others. There h to be a sensible mid-com that everyone can pursue. As that course can be determin only through consultation a compromise between equals.

MICHAEL DON

المكنا أمن المامل

Competition will stay tough

MANNESMANN. ONE of Germany's major engineering groups, has been expanding recently into electronics and communications technology. Dr

Egon Overbeck, president of the
Mannesmann board of management, explains that this
"purposeful promotion of structural change into a technology

Trup," is a necessary step competition," it will not be posgroup" is a necessary step towards securing the group's

inte

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* * *

ENGINEERING

It does not, however, mean that Mannesmann views the future for steel pipe and engineering products—its main-stream activities—in a negative sense, but rather that these moves "provide a suitable completion of the technological in favour of German suppliers." efficiency of our mechanical Wage cost and exchange rate engineering and plant construction sectors.

Mannesmann optimistic about demand for its products in 1982 from foreign markets, but loss so about the domestic market. Dr Overbeck "Judging by all available forecasts the economy of the Federal Republic will only show

Demand from abroad has already gained considerable to change its employment levels strength for 1982. We are profiting in the first place, by sector, steelmaking is being conthe strong demand for lubes and port and conversion of energy.

of Furthermore, machinery that is tributing to improve the struc ture of energy supply will find its market, and Mannesmann offers a wide range of products

> competition," it will not be possible to increase prices sufficiently to compensate for the diminution in margins that it has been necessary to accept in However, Mannesmann does not believe in "stagnating price levels," while Germany's low rate of inflation "will again be developments in 1932 will not cause costs to rise as they did

fairly in 1981. "Competition in 1982 will continue to be tough. In the steel tube sector we are competing, above all, with Japanese, Italian and French manufacturers, part of them with natural, others with artificial weak growth. Accordingly, we competitive advantages on us. do not expect any major What is giving us trouble in the impulses to come from within mechanical engineering sector the country. Demand from the are the financing conditions building industry is likely to which—although not in line remain low, although a stimulus with the real state of the market is expected from the car—are requested and granted by our competitors'

Mannesmann is not expecting centrated at one plant as part pipes for the production, trans- of a rationalisation programme. "In the mechanical engineer-"Our mechanical engineering ing and plant construction exports will participate ale sectors, investment is being in the anticipated geared mainly to machinery growth of world trade. There modernisation, rationalisation, is today a considerable need for and in some sectors to increasreplacement and rationalisation ing capacity."

HAZEL DUFFY

ENGINEERING PRODUCTION

1975=100

	M	ETAL	PRO			
		1980		12 month rate of		
	2nd	3rd	4th	1st	2nd	change
	qtr.	qtr.	qtr.	qtr.	qtr.	%
J.S.	122	1 14	123	127	129	+14.3
apan	139	129	128	119		-10.2
rance	130	103	125	123	_	— 7.0
V. Germany	127	107	124	114	124	+ 1.0
taly	129	93	121	118	_	- 3.3
pain	122	97	122	110	_	+ 2.1
weden	92	79	115	704	99	- 27
JK	88	76	78	80	76	-12.2

MACHINERY NON-ELECTRICAL

	1780			17	rate of	
	Znď	3rd	4th	îst	2nd	change
	etr.	qtr.	qtr.	qtr.	gtr.	ૠુ
U.S.	129	129	131	134	139	+11.1
Japan	162	159	759	160	_	- 0.5
France	112	94	113	105	_	- 4.6
W. Germany	125	112	135	120	134	+ 0.7
Italy	148	776	156	140		+ 7.3
Spain	109	95	111	-	_	+ 13.6
Sweden	101	86	117	98	706	- 4.3
UK	95	89	87	38	83	-126

ELECTRICAL MACHINERY

	2nd	3rd	4th	1st	2nd	rate of change
	qtr.	qtr.	gtr.	qtr.	qtr.	9,5
U.S.	147	142	150	151	154	∸ 9.4
japan	206	220	229	229	_	+ 15.6
France	127	105	149	120	128	+ G.9
W. Germany	132	109	132	121	132	- 7.2
italy	139	101	131	130	_	— c.3
Spain	112	91	130	104	-	+ 17.4
Sweden	96	84	115	102	111	÷ 4.9
UK	97	93	98	98	87	- 8.3

Source: OECD Indisators of Economic Activity. 1991—III

CONSTRUCTION

Searching further afield for work

INTERNATIONAL building and because investment is needed to civil engineering groups have create prosperity. "I do not rarely before experienced such think that industry should leave intense competitive conditions, all investment to government, Domestic and overseas markets. We as a group are scening have suffered at the hands of projects to finance privately. the recession and opportunities. By way of example, Costain for profits have declined signifi- are partners in the Lysander

The UK-based Costain group. along with its international competitors, has been forced to search still further afield for 'iroup." contracts, while stepping up On prospects for 1982. Mr diversification. As a result, it Wyatt says that with the volume has managed to push up over-seas turnover to a record level.

Despite immediate difficulties. Mr Terrel Wyatt, chairman of Costain, is confident of the industry's prospects and ability in increase turnover and profits over the next few years. Any view of the prospects

for the construction industry has to be based on assumptions about the economy in the UK and worldwide. I believe that the UK and most of the rest of the world will be in recession for another year and then activity will pick up slowly. Interest and inflation rates will

drop a little.

The greatest help for investment, jobs and construction would be really low inflation. low interest rates, stable ex-change rates and confidence that these conditions will persist.
The UK Government has been right so far as it has tried to achieve this position. But even so, current expenditure remains too high and capital expendi-ture is too low."

Mr Wyatt says he does not advocate more capital investment simply to create jobs but

development at London's Surrey Docks, the largest mixed the European Channel Tunnel

On prospects for 1982. Mr COATS PATONS, which proof UK work inwer than at any 400,000 people are unemployed "pretty grim" position will not change quickly.

He emphasises that the gloom is no uniformly spread' and believes Costain is not aione among larger building and civil engineering groups in achieving a record turnover in 1981 and expecting more in 1982, with steady growth thereafter.

Overseas work, particularly in the Middle East, created a great deal of exerting growth during the 1970s but now the volume of infrastructure work has dropped and the emphasis has shifted to industrial investment. The whole market has for how long, become much more competitive. The general

hy looking for work over a wider area and developing some of the more specialised activities. Despite the problems, I expect to see the industry carry out rather more overseas work in 1982 than in-1981, with prospects for growth

MICHAEL CASSELL Their

The dollar makes a comeback

CURRENCIES

BY COLIN MILLHAM

1981 was the year the dollar reasserted itself as a major world force. The dollar has been the central pillar in world trade for many years. but it lost a great deal of prestige as U.S. economic problems forced central banks around the world to prop ap the ailing currency.

The election of President
Reagan, with his well
publicised monetary policies
which seemed to the in with

the philosophy of Mr Paul Volcker, chairman of the Federal Reserve Board, was a key factor in its recovery. By allowing interest rates to rise very sharply in the fight against inflation, the dellar made equally sharp gains. In mid-summer, as prime rates moved up to 20.5 per cent and Federal funds touched 24 per cent, the dollar rose to a five-year high against the D-Mark, a 21-year peak against the French franc. an all-time bigh against the lira, the highest level since October 1977 in terms of sterling and the Swiss frane, and the highest point

> Major problems may arise in 1982 if there is competition for borrowed funds from the private sector, climbing out of recession, and the public sector, where the Government will have to fund a large budget deficit. Signs that the economy was slipping into recession led to a turnround in interest rates during the autumn and a subsequent of the dollar. This allowed European countries where the recession was further advanced than in the U.S.—to engineer a much needed reduction in interest

since April 1980 against the

Recent trends have not been as favourable, as U.S. rates have increased once again. Given the relaxation of manetary policy in the face of recessionary forces. hope remains that rates will ease, at least during the early part of the New Year. STERLING—In January the pound was very firm. It touched a peak of \$2.4245, equal to the seven-year high reached in the previous November, Bank of England minimum lending rate was 14 per cent and clearing bank hase rates were at the same level. On March 10, MLR was cut by 2 per cent to 12 per cent, but the accompanying Budget statement from the Charcellar was seen as a continuation of the Government's light monetary policy. Sierling, which was then around

the \$2.20 level, showed some improvement. Demand for

industry, now feeling its way

more confidently after the traumas of the 1970s. Mr Robert

Atkinson, chairman of British

Shipbuilders, says that a cise in prices for new vessels " would

do more than anything elec-

to take care not to make any "foolish capacity" increases.

For the state-owned Eritish

Shiphuilders, a price improve-ment of some 12 per cent warid

be needed for a return to profit-

oil and dry cargoes have have

disastrous for owners this year.

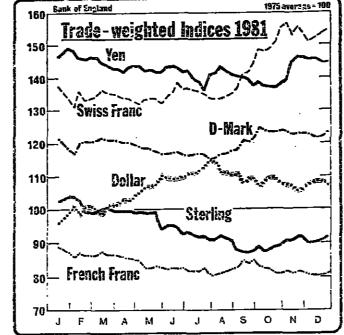
but shipbuilding companies have:

benefited from a steady flow of

many orders and completency would be disastrons says Mr

He adds that countries have

to help the industry.



the dollar pushed the pound down more than 7 seam on Jane 4. It fell below \$2. to \$1,5410, the lowest level for 2) years. Riving U.S. interest rates depressed sterling to an almost feur-year lew of \$1,7705 in August, and during the same month MLR was suspended, placing greater emphasis on bank base rates. which remained at 12 per cent

until mid-September. In the same month, sterling's trade - weighted index, on Bank of England figures, fell to 85.7, which coupled with general confusion about the monetary aggregates in the wake of the civil service dispute prempted a rise to 16 per cent in base rates at the beginning of

Easier U.S. rates have enabled London interest rates to decline, but the nound has finished the year looking rather vulnerable.

D-MARK-A combination of high interest rates, a large German balance of payments deficit and the simmering uprest in Poland which was brought to the boil by

THIS YEAR will be a testing to do. We need a stable period shipbuilders and the ports, one for the world shipbuilding of sound industrial relations. For the shipping industrial

Japan dominores the world

tehind by South Keres. In Mr.

Arkinson's tiew, Japan 2000 a spensible for much "times

the early 1970. He is said concerned about he arearch of

Japan in the industry, though

the Jupinese proper that their

more of world article is less

stragering then the Gaures stir-

gest, and they point to large

Ca - in cooperly recently.

Mr. Attanson by properly for

Japanese dominance. If Europe specks, the Japanese

Shipping markets, noth for approach to the question of

business. "We have had a deet in the world." He wonderful year in obtaining strongly favours the adoption

more co-ordinated EEC

time policy in the UK, covering 1983.

sponsible emicss can sity."

followed some view

Sterling

D-Mark

General Jaruzeiski in mid-December, have depressed the German currency against the dollar. At the beginning of August the D-mark had fallen by about 20 per cent from the end of 1980, but has since staged a steady re-covery, despite the expected pressures on German banks Poland should default on its loans from the West.

The D-mark's membership the European Monetary System tended to prevent any large rise in Frankfurt interest rates to combat the strength of the dollar, because this would put extra pressure on the weaker members. but an easing of New York rates and Germany's improving trade nosition has helped the Garman currency to recover. Aithough the Dmark is the weakest member of the EMS at present, this reflects the revaluation in October, while hopes that the current account halance of payments may be in halance in 1982, coupled with Germany's better inflation figures than most other

European countries, should

For the shipping industry in general, he teels, "the best we

can hope for is an indifferent

year." Any real upturn in

major world economies is not

expensed used 1987, with Jugan.

and Western Europe showing

some improvement this year. World trade, on which the

uttimately shipbuilding depends.

tures up by 5 per cent.

may rise by 4 per cent in 1932

An estimated 24m deadweight

ions of dry bulk shipping will

be coming on to the market this

years, with trade in manufact difficult.

THE DOLLAR IN 1981 High Dec. 31 Jan. 2 1.9100 2.3910 1,7705 (10/8) 2.4285 (21/1) (55.40) (41.18) 1.9375 (6/1) 2.5565 (10/8) 1.5500 6.1500 (10/8) 4.4725 (6/1) French Franc 1.7675 2.2050 (4/8) 1.7450 (4/7) Japanese Yen

SHIPBUILDING

The keynote must be caution

Palifical C

203.05 244,10 (4/8) 199.25 (5/1) Rates against sterling are shown as dollars per pound and pance par dollar. Others are quoted in terms of D-marks. French francs, etc., in one dollar.

AUTOMOBILES

'The price war could intensify'

FLAT AUTO, the car manufacclamed in 1981 to have increased its European market share from 12.8 per cent to 13.3 per cent and thus to have become Europe's leading car pro-

push the D-mark up again.

SWISS FRANC—The main

concern of the Swiss National

Back during the latter part of 1981 was to prevent the Swiss

franc rising too sharply against the D-mark. Although

not part of the European Economic Community or the

EMS, the Swiss economy and

August. Switzerland's

remains firm in 1982.

FRENCH FRANC - Becord

interest rates and beavy inter-

vention by the Bank of France

could not prevent a sharp weakening of the French franc in May following M.

Francois Mitterrand's victory

in the presidential election.

The dollar rose above FFr

5.50, which was then the

bighest level against the franc

for 10 years, and continued to advance to a 21-year peak of FFr 6.15 in August, before

retreating to FFr 5.75 in late

December.
Restrictions on currency

transactions failed to prevent

a devaluation of the French

currency during the reshuffle of the EMS in October. But

it has since traded fairly com-

fortably near the top of the

system. Paris interest rates have eased recently in line

with world trends, but France's high inflation rate of

over 14 per ceni, and con-

tiquing pervouspess about the

policies of the Socialist

Government, are likely to

keep pressure on the franc in

JAPANESE YEN-A cut of }

per cent to 54 per cent in the Bank of Japan's discount

rate in early December was less than the foreign exchange

market expected, and pro-duced little reaction from the

-082, there is every expecta-

tion that the yea will continue

to improve, net only against

the dollar but in terms of the major European currencies.

prospects are favourable in

view of expected imports from

the Soviet Union, China and

India. Iron ore business should

benefit from modest increases

in Japanese and European steel

production, which will also help

there could be some bein from

r: sterling against Japan and

"Under these circumstances.

the key note for shipbuilders in

1980 must be one of caution."

says Mr Atkinson, with the

market unlikely to provide over-

watch - "they are the well-

For Critish Shipbuilders,

real.

taught

Japonese."

may rise by 4 per cent in 1932. West Germany. On the war-after barely more than 1 per ship side, the UK defence

cent in each of the last two teview has made matters

shipping and currency movements in favour

the New Year.

Sig Vittorio Ghidella, 50, has been managing director and general manager of Fiat Auto

"The main problem for 1982," he says, "is judging the volume of demand (for currency are closely aligned with Germany and the Dcars) and the subsequent be-haviour of the market. We ex-At the beginning of the year the exchange rate was about SwFr 90 per 100 Dclaimed in 1981 to have in-pected a limited recovery in ruarks, but by November the the market in 1982—but then we D-mark had fallen below SwFr 30 per 160. expected the recovery to have started by now and we have been disappointed. Cuts in Swiss interest rates have also followed trends in

"So we are concerned that the recovery will take place too Frankfort and New York as the franc has improved steedily against the dollar, slowly and too late. There is empty capacity all over Europe after the U.S. unit touched a peak of SwFr 2,2060 in -and all over the world-and the longer that capacity remains empty the more dan-gerous it becomes for the indation rate and the Gov-ernment's tight monetary industry in terms of competipolicy should ensure the franc tion and pricing.

On the pricing problem I turers to increase prices less than the local overall rate of inflation. manutac-

different "Also, turers have different kinds of policies for cutting prices still further through various types of campaigns. This, for want of a better phase, is price war. I am worried that the market is still so low that the price war could intensify. "Another factor which will be

important in 1982 will be the behaviour of the Japanese in Europe. During 1981 the Japanese lowered the competitive pressure on the market, mainly because of the (upward) revaluation of the yen compared with other European currencies.

"The Japanese refrained from further expansion and they had trouble selling al! the stock they already had in Europe.

For that reason we (Europeans) suffered a little bit less from the Japanese competition different priorities, differe in 1981. What can happen in commercial aims of differe 1982? Well, I know stocks are companies make it harder a low. But new models are coming on to the market and maybe the Japanese will resume their aggressive policies.

"I personally believe that the turer which is the biggest single Japanese will be very careful element in the Fiat group, about their pricing policies because the yen should remain stable.

"But in terms of products, the recent Tokyo Motor Show companies have many new models. And we must worry about that because the Japa-nese have demonstrated they are able to cover the complete range of cars the Europeans want while adding attractions like electronics which make the cars fashionable and very, very appealing to the European cus-

tomers. "While the Japanese will have many new models in 1982, there will be relatively few new important models introduced by the European manufacturers in 1982 to give the market an upward push. The Europeans ere working hard on new models with new technology,

but mainly for 1983. "This is a problem because any time a European manufac-turer brings to market an important new model, sales in that sector of the market pick must say it is the current pp. That kind of activity can policy of the car manufac add sparket to the market, add sparkle to the market.
"The Japanese are desperately

trying to establish some bridge eads here in Europe through industrial co-operation. They are being extremely careful, however, because they know they will never achieve the results they get in Japan with local (European) people and local structures. That is why I am not particularly worried about the possibility of the Japanese manufacturing cars in Europe.

I am also a little sceptical about the possibility of an in-crease in the number of joint ventures between the car companies of Europe.

It becomes particularly difficolt when you try to spread the co-operation to vital component: —and, after all, a car is it reakity a system made with different components and eac. component has to fit perfectly with other components.

"The different requirement harder for them to find approach which suits be: partners in any joint venture. KENNETH GOODING

strong yen. After touching a peak of V246.10, the dollar has failed to about Y215 to Y220. Unless U.S. interest rates continue to push to up in

	1980 actual	1981 estimated	1982 forecast	% change 1981/80	% change 1982/8
U.S.	6,378	6,400	6,800	0.3	6.3
Canada	847	820	850	3.2	3.7
West Germany	3,521	3,400	3,500	3.4	2,9
France	2,939	2,650	2,200	- 9.8	5.7
Italy	1,445	1,300	1,400	10.0	7.7
Japan .	7.038	6,700	6,500	- 4.8	-3.0
Spain	1,029	925	950	— 10.1	2.7
UK	924	950	980	2.8	3.2

PASSENGER CAR PRODUCTION

COMMERCIAL VEHICLE PRODUCTION

	1980 actuai 1,585	1981 estimated 1,625	1982 forecast 1,750	% change 1981 /80 2_5	% change 1982/81 7.7
U.S. Canada	531	1,023 545	. 570	2.6	4.6
West Germany	357	310	330	-13.2	6.5
France	440	395	470	—10.2 .	6.3
Italy	167	145	155	- 13.2	6.9
Japan	4,005	4,110	4,120	2.6	0.2
Spain	153	130	140	15.0	7.7
UK	389	223	285	-42.7	27.8

RETAILING

Pressures of costs and spending

much help. Competitively, the "CRUCIAL" YEAR for the way as large retailers," he says.

K retail sector is foreseen by Mr Patterson suggests that UK retail sector is foreseen by Mr Colin Patterson, deputy Koreans will be the ones to students of the chairman of British Home Stores "I think 1982 is going to be

spending," he says. Moreover, he suggests, these

problems cannot be viewed in isolation to the rest of the economy because of the sheer scale of retailing in Britain. Some £59bn is sent annually through the UK's 350,000 retail

The chief cost pressures in 1981, which Mr Patterson sees

East.

At the same time, consumer spending has been relatively flat adopted by Britain, France and Italy in the Multi-Fibre Arrangement talks (the discussions aimed at regulating income after higher rates, fuel vorld trade in textiles) in Geneva are successful, there is going to be very much reduced," a chance that the decline in he says, he says.

business because they do not

"retailers by one means or another will have to improve wise, he says, they "will be unable to afford the high level

have the capacity to absorb the resolve." ANTHONY MORETON fixed cost increases in the same

and chairman of the Retail profit margins in 1982." Other-ANDREW FISHER Consortium. very tough for relailers because of investment in new stores and of the twin pressures of rising costs and depressed consumer lead to higher productivity." He believes that retailers will decide in 1982 that the cost of

chasing volume at the expense of profits cannot continue. "A lot of companies are now beginning to discover that the almost continuous price promotions of the past 18 months have made sales non-productive in that consumers are bored with them But the biggest benefit for

retailers and the economy in general in 1982, Mr Patterson believes, would be if the Chancellor decided to reduce the rate of value added tax. "The single biggest detriment for retailers in recent years was the VAT increase in 1979," he says. "By bringing it down-by perhaps 21 per cent—the Chancellor would reduce price inflation, generate sales through shops and stimulate employment in manufacturing industries."

Mr Patterson argues that "retailers are among the most resilient of characters and they have done as well as any other The effect of these dual pressures has been to force an sion." But he helieves that increased number of retail outincreased number of retail outlets to close. "I would not be
surprised if more small retailers ever-increasing problems facing
especially were forced out of the industry—problems that are largely out of their control to

DAVID CHURCHILL

Atkinson. There is still much the interests of su-poweres, In individual trades, grain

The worst is felt in Europe

will listen," he says, "Europe" year. This is generally regarded

still has the largest merchant as too much to be absorbed by

strongly favours the edoption the likely growth in trading strongly favours the edoption the colid upturn in freight of a clear non-polytical mare rates may well have to wait until

duces threads and varns in 20 countries, has its headquarters in Glasgow. Its enairman, Mr. William Coats, sees a difficult year ahead for the textile

industries. "I do not feel very optimistic. about the outlook for 1982 if W. Ge you look around the world the France textile slump is general, even the East is suffering.

"The worst is undouoted?" being fell in Europe with the UK having passed through terrible two years, the Spanish economy very depressed. Itals flat and France not at all happy flat and France not at all happy about the state of her industry. Things are a little better in America but there is no teiling in the flat are made to wear often for long. But we find a proposal to wear often free how long.

SPUN YARN PRODUCTION

Cotton and Man-Made Fibres 1980 1981 Wooi and Worsted tennes 54,543 1.930.9 62,390 1.723.1 ;19.:99 111.440 1,753.7 1,037.5 146,732 120,207 336.1 133,905 123,549 526_c7 502,500 231.2 143,600 131,100 The in Tourie Structure Every 1961 of The Control of the Gran 3 mounts execut Un 10 mounts and Italy 5 min as

one much more competitive.

The whole market has come much more competitive.

The industry has responded opinion appears to be now that looking for work over a der area and developing me of the more specialised invites. Despite the profit of the more specialised invites. Despite the profit of the more specialised invites. Despite the profit of the more specialised invites. The industry has responded to see all the competition of the more specialised invites. The industry has responded to see all the competitions of the more specialised invites. The industry has responded to see all the competitions of the more specialised invites. The industry has responded to see all the competitions of the more specialised invites. The industry has responded to see all the competitions of the more specialised invites the more specialised in the competition of the more specialised in the

Studie Commonwealth Section 1981 (Studies of Section 1981) (Section 1981) (Sectio

"So beires are almost certain. and nection responsible to the second television sets more Ess the to not control what one hast even they will be sus-

ceptible to price pressure. The Chinese are becoming an impor-tant factor in the world's industry and they can be very competitive." Turning to employment. Mr outlets, which employ a total of

Coals does not think that man-ning levels have stopped. The chief of folling yet in the West. "It is 1981, which Mr Patterson sees true that the UK is a lot continuing into 1982, are those slimmer and better able to do which are out of the control of things it can do well, such as retailers. In 1981, shops have produce high-quality garments, faced rate increases of between It is also more efficient. But 18 and 45 per cept, white energy Western industries will have to costs — including fuel which is become more specialised if a crucial cost in the distributive they are to meet the competitivedes - have risen by up to tion of cheap imports from the 30 per cent.

a chance that the decline in Europe will be arrested, but one cannot prophesy more than that. We have allowed the unacrdeveloped countries to take charger part of our textile industries than the Americans and we shall face another difficuit year."

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Monday January 4 1982

Polish wedge in the West

Community must all out effort in Brussels today to arrive at a common line towards Poland problems raised by President Reagan's sanctions the Soviet Union. a ga imst Though the reactions of the Community capitals have disclosed considerable divergencies of emphasis, the ministers will have clearly defined, basic common European interests to work on.

A degree of political freedom must be restored in Poland, as General Wojciech Jaruzelski. the Polish Prime Minister, has promised; repeatedly western reaction to events would be self-defeating if it were to bring about a closing of ranks within Comecon; the joint foreign European towards which the Community is groping must not be shown to be no more than a chimera.

On a wider field there is another important consideration. The transatiantic divisions within Nato are quite deep enough already. The ministers in Brussels will have to find a way of standing up for Euro-pean interests without disowning their American oily. But they must ensure that the occasionally bandied about in Washington to call off talks on reducing or chiminating Theatre Nuclear Forces in Europe is not made good.

Doing so would only deepen the existing splits. It would also cause grave internal problems for several Community overnments, first of all that of Herr Helmut Schmidt in Bonn. The European interest is founded upon the wish to maintain what is left of detente. That may not be much, but it is the Europeans first and foremost who have to live side by side with the Soviet bloc. The European view is also based upon the analysis that events in Poland are still a matter between Poles, however closely the Russian interest may be in-

Washington tends to see events much more starkly as part of the great struggle between the U.S. and the Soviet In American eyes General Jaruzelski is no more than Moscow's cat's paw. Tensions, therefore, will inevitably right amount of diplomatic tact target of sanctions.

THE FOREIGN ministers of the on both sides, these tensions need not be considered a

> Whatever the differences of analysis and reaction to events in Poland, there does remain overwhelming common security bond between the two ends of the Nato alliance. That is not changed by the fact that Europe has a greater stake in East-West trade than do the Americans and therefore is more inclined to look askance at the whole concept of sanctions.

From the European analysis it follows that whatever pressures the West exerts should be directed at Poland. The objectives were spelled out to Mr Myeczyslaw Rakowski, the Polish Deputy Prime Minister. in Bonn last week: the lifting of martial law; the release of detainees; and a resumption of talks with Solidarity. So far there is very little evidence that the Polish regime will con-form: until it does, Poland should receive no more aid from Western Governments excent for food aid given for humanireasons and with adequate assurance that it really does go to the needy.

In the case of private credit extended by western banks and suppliers, the lenders will have to sort things out as best they Prodence alone would dictate that there should be no further topping up of credits, and rescheduling will have to be made dependent upon adequate servicing of the debt.

Criticised

An especially prickly set of problems surrounds the gas pipeline which a German-led European consortium plans to build to carry Soviet gas to Germany and other western European countries. The U.S. has all along criticised it as a project that would deepen the customers' dependence upon Soviet energy supplies and undermine their independence. That reading is not generally shared in Europe. As long as the proper target for western sanctions is Poland, it follows that the pipeline should go

Altogether, there is a case for carefully gauging the doses western pressure on the Comecon bloc, and concentrating on the Jaruzelski regime. That will make it easier for the West to respond if the Polish remain within the alliance. They authorities show signs of pli-derive from the complexity of ability. It will also keep some the problem and the lack of western powder dry should precise information: given the Moscow become the proper

Strike threats and efficiency

trade unions has been weakened by high unemployment, 1982 has opened with a flurry of strike threats in several key industries. The miners are being urged by their executive to authorise a national strike to begin in February. The train drivers, having failed to resolve an argument with British Rail over productivity, have started a ban on overtime and have promised a twoday strike on January 13 and 14. The executive committee of the Iron and Steel Trades Confederation, still protesting over British Steel's firm line on wages and productivity, is meeting this week to decide when and how to impose an overtime ban. An allout strike was to have started tomorrow at Ford, but it seems that this may be averted by a industry; that is something last-minute improvement in the which no amount of industrial employer's offer.

All this might suggest that the narrow worm is turning and that a new mood of militancy is beginning community or to the rest of tinuation of the past year's which has always been charac-trends. Engineering workers teristic of British trade unions. accepted a 5 per cent national contrasts oddly with settlement; tanker drivers re- attempts being made settlement; tanker drivers refused to be used as a political weapon; shipbuilding unions could not sustain industrial action over closures; and the two other rail unions, apart from the present wage round is the traindrivers, have reached essential to the Government's agreement with British Rail on productivity.

Apart from Ford, the other threatened disruptions are in the public sector and have a depressingly familiar ring about them. To judge by reports from the coal fields, some miners think that, even though the Coal Board's offer is well above what other industries are likely to obtain, they have little to lose by voting for a strike; they calculate that it will push the Board into raising the offer by 2 or 3 per cent.

As long as the miners enjoy bargaining unique strength, arising from the structure of the industry and government restrictions on imports, there will be a continuing tendency towards a twotier pattern of settlements in the public sector, with the miners and other groups which this objective.

AFTER A YEAR in which the have the muscle to follow in bargaining power of British their wake (notably gas, water and electricity workers) pulling substantially ahead of the rest. In the short term it is not easy to see how the Government can break this pattern. But even market pressures; they are capable of so damaging the competitiveness of coal that the market will move away from them and jobs will inevitably disappear.

On the railways the Government is trying to simulate market pressures by tying support for new investment to progress on productivity. Whatever the outcome of the current dispute, the message does appear to be getting through that a high-cost, low-productivity industry is a declining muscle can change.

In all these cases groups of workers are pursuing their economic objectives without much regard to the to show itself. But there is other the labour movement. This evidence which points to a con- sectionalism at the grass roots. national union leaders to bring unity into the affairs of the Labour Party.

> A low level of settlements in economic strategy, but it is at least as important that the past year's improvement in productivity should be maintained. In this context events at Ford may be of greater long-term significance than the coal or rail dis-putes. If the company can implement the changes in work practices which have already been agreed in principle by the unions, it has a chance to tackle the basic causes of the British motor industry's long decline. As Ford's former personnel director points out in an article on page 9. British work people cannot be coerced into cooperating with management. But a way has to be found of converting reluctant acquiescence into a shared pursuit of higher productivity. It is up to managers to ensure that their industrial relations policies, in style and content, contribute to



URING the past year,

stantially improve the perform-

ance of the American economy

in the 1980s and beyond.

Unfortunately, the nature of the

new economic strategy has been

disguised and distorted by the

extreme supply side rhetoric

with which the Administration

originally described its pro-

Administration spokesmen pre-

dicted on the basis of the

extreme supply side theory that

the new policy would cause an immediate surge in economic

growth and productivity and a

rapid decline in the rate of inflation.

It is clear that the economy's performance is not living up to these naive and euphoric fore-casts. The United States is

sliding into a recession that has stopped economic growth and

caused productivity to resume

its discouraging deckine. There

is also widespread concern that

the federal budget deficit will

increase over the next few years

east. If these facts were

not enough to shake the public's

tion's economic programme, we

hant Budget Director, confessing

to a reporter that the Adminis-

tration's supply side theory

It is very important, therefore,

to distinguish between the sound

economic programme that the

Administration has adopted and

the extreme supply side rhetoric that some Administration

spokesmen originally used to

describe that programme.
Similarly, it is important to

judge the programme by its

long-term consequences and not

by its failure to live up to the

implied by the extreme supply

Indeed, the current economic

policies were not developed de

of careful study and the

accumulation of expert advice.

certain details of the programme

and over which party would get credit for the final legislative

package, there was bipartisan agreement on the fundamental

aspects of the programme. More-

ever, Congress in many respects

went even further than the

Administration would have gone

The tax bill that was enacted

in August combined a reduction

in business taxes, new incen-

tives for individual saving, and

a slowdown in the growth of

personal income taxes. For the

business tax cuts, the Adminis-

tration adopted an accelerated

depreciation plan that had

side theory.

on its own.

short-term forecasts

hasn't worked out as expected.

instead of shrinking as

gramme.

Moreover, some

A time for cool nerves

By Martin Feldstein



President Reagan and his Budget Director David Stockman

the previous two years in the confidence in the Administraform of a Bill sponsored by have recently had David Stock-man, the Administration's bril-Republican Congressman Barber Conable and Democratic Congressman James Jones. The Administration originally proposed no specific incentives to

encourage individual saving but it quickly accepted the set of saving incentives proposed by the Democratic majority of the Ways and Means Committee, a of groposals which had in fact been offered on many pre-vious occasions by their Repub-tican Congressional colleagues.

The plan to reduce personal

tax rates by a total of 30 per cent over three years was also not a new idea, having been a central feature of the Republican platform for the Congressional election of 1978. Moreover, it hardly represented the radical tax reduction that the noro by the Reagan Administra- supply-siders claimed since as tion but had gradually evolved a result of the "bracket creep" in Congress during several years caused by inflation, most taxpayers would find that they were paying a higher fraction Although the past year has seen of income in taxes in 1984 after strong partisan battles over the tax cut was fully phased in than they had paid in 1979, just after the previous tax cut.

Fundamental change

The most fundamental change in the personal tax, indexing the gress which had been studying the idea for several years.

Although the Federal Reserve Bank's policy of decreasing the rate of growth of the money stock is critically important for achieving the Administration's goal of reducing inflation, this tight money policy also predates the current Administration. It already gathered very wide- was announced in October 1979 spread bipartisan support over by Fed Chairman Paul Volcker, reached a peak in mid-summer

Carter, and is being pursued by the Bank's Board of Governors which is dominated by Carter

The narrow money aggregate per cent in 1978 and more than 7 per cent in 1979. The Fed set a target range of 3 to 6 per cent for 1980 and slightly overshot the upper end of that range because of the very rapid money growth during the economic recovery in the second half of the year. For 1981, the Fed lowered the target range and demonstrated a firm resolve to achieve this lower rate of money growth.

In the past 12 months, M1B has increased only 4 per cent; adjusting for new banking rules that now permit interest-bearing checking accounts implies a 1981 M1B increase of less than 2 per cent, below the bottom end of the Fed's target range. Many who in 1980 doubted that the Fed was serious about its newly proclaimed monetarism becam increasingly convinced in 1981 as the Fed maintained its tight money policy in the face of a developing recession.

Early in the year some of the Administration's monetarist supporters invoked the so-called rational expectations theory and claimed that the credible purindex beginning in 1985, was not the expected rate of inflation part of the Administration's pro- and then a rapid and painless decline in the actual rate of inflation. Most economists. were sceptical. The sceptics turned out to be right. Tight money raised interest rates to new highs and precipitated an budget. unprecedented collapse in the housing and auto industries. economic activity

rapidly by the end of the year. A sharp drop in interest rates accompanied the slowdown in economic activity. There continues to be substantial uncertainty about the future of interest rates. If the Fed conand public employment, the tinues to slow the growth of

money, the increasing velocity is likely to keep short rates from falling. At the same time. however, the experience of lower inflation rates in 1982 should reduce inflation expectations and long-term interest rates. The decline in long-term rates will be both limited and retarded by the prospect of the higher short rates during the next few years and by the tax changes that raise the profitability of investment and therefore increase the interest rate that firms are prepared to pay in their competition for funds.

Spending cuts and deficits

The most novel aspect of the Administration's programme is the reduction in the growth of government's non-defence spending. During the past two decades, the share of GNP accounted for by such outlays tax brackets and exemptions to suit of a tight money policy nearly doubled, from 9 per cent changes in the consumer price would cause a dramatic fall in of GNP in 1960 to 13 per cent in 1970 and 17 per cent in 1980. Although the supply side rhetoric of the early days of the Reagan presidential campaign had spoken of tax cuts without spending cuts, the new Administration was quickly persuaded that slowing the growth of government spending was necessary to achieve a balanced

Congress co-operated with the Administration by voting some \$30bn in cuts from the last budget submitted by President

appointee of President and the economy was declining Carter and demonstrated that the new Congressional budget reconciliation procedure could work to keep a lid on government spending. Moreover, since many of the budget cuts represented changes in the rules for-" entitlement " on-going grammes such as food stamps

spending reductions imply a

of

permanently lower level

government outlays. Despite the spending reductions that have already been legislated, the Administration and most private economists now forecast that without further spending cuts the federal deficit will rise from 2 per cent of GNP in 1980 to 4 per cent of GNP in 1984 or about \$160bn. Half of this increase would reflect the increase in real military spending (from 5 per cent of GNP to 6 per cent) while the remaining per cent of GNP would reflect the personal and business tax cuts. Although a continuation of the tight money policy would prevent such deficits from setting off a new round of inflation, there is the danger that a persistent budget deficit could absorb so much saving that the hoped-for rise in real investment could not occur.

The prospect of a large deficit may, however, give Congress the courage to make further spending cuts that would otherwise be politically impossible. Returning non-defence spending to the 13 per cent share of GNP that it had in 1970 would be more than enough to outweigh the combined effects of the existing understanding and courage to deficit, the tax cuts and the proposed growth of military Cutting real nondefence spending at the moderate (but nevertheless politically difficult) rate of 3 per cent a year would be suffi-

cient to reduce its share GNP to 13 per cent in just abou four years.

In reality, a return to nearly balanced budget likely to take more than for years and the deficits along th way will reduce investmen below what it would otherwis be. The higher saving rate the greater share c and saving going into plant an equipment that result from th recently changed tax incentive will, however, help to maintai or even to increase the actua level of investment despit these deficits. Moreover, temporary increase in U. imports from the rest of the world or decrease in U.s exports could also permit the United States to have both a increasing government defici and a higher rate of inves ment by in effect, exporting some of the U.S. deficit t other countries.

Two dangers

There is. danger that Congress will now react to the high unemploy ment rate in the current re-cession or to the growing budget deficit by adopting policies that destroy the long term prospect for the success of the programme it adopter in 1981. If Congress focuses on rising unemployment and falling profits, it could revers Keynesian stimulus to demand This would mean increases in government spending and pressure on the Fed to expand the growth of credit for private spending. The result would be a return to higher rates of inflation and an even harder time controlling inflation in the future.

The second danger is that the growth of government spending will not be reduced. Although the budget deficit could be gradually eliminated by slowing the growth of government spending, there are many in Congress and elsewhere who do not want to see less government . spending and who are therefore -pressing for tax increases. Repealing the rate reduction that has, already been legislated for 1983 and the automatic indexing now scheduled to begin in 1985 might reduce the deficit in the short-run, but would encourage greater government; spending in the long-run. And repealing the special leasing rules that were enacted as part of the new depreciation rules would raise tax receipts but would significantly weaken the incentive to increase investment

In 1982, it will be important to see whether Congress and the Administration have the take the long view and stick with the sound programme that

Professor Feldstein is Professor of Economics at Harvard Un sity and president of the U.S. National Bureau of Econ

Men & Matters

Banking figure

Israel's Central Bank finally two months after the departure of the previous incumbent Arnon Gafny.

By chance, news of the Cabinet's decision to appoint Dr to make an unsuccessful bid for Moshe Mandelbaum reached his election as mayor of Jerusalem office only minutes after my interview the former directorgeneral of the Ministry of Industry and Trade economics lecturer at Bar Ilan University.

Ouestions had to wait on the congratulations and Mandelbaum's own query—happily and rapidly answered—about the chances of opening a celebratory bottle of whisky.

A seventh-generation Jerusalemite, the 48-year-old Mandelbaum was appointed the Bank's deputy governor only three months ago. He has economics degrees from both the Hebrew University in Jerusalem and Vanderbilt University in Ten-



both the Industrial Development Bank of Israel and the Government's Foreign Trade Risk Insurance Corporation and served as chairman of the Diamond Institute.

behalf of the National man in Israel had arrived to Religious Party, one of the partners in Begin's ruling coalition. His main task during the next five years, he says, will be to persuade the Government to reduce its budget deficit. Boosting the private sector through a more generous credit policy while trimming public spending, he believes, would help both to bring down Israel's triple-figure inflation and close

Past politics

.Fate seemed to choose Tam Galbraith as an innocent augury of the close of an era in Tory politics after giving his father Lord Strathclyde a similar unwitting role in its

its balance of payments gap.

Strathclyde, at the age of 90 man who from the platform at the 1950 Tory conference promised the party an ambitious housing programme of 200,000 new houses a year when it came In one of its rare revolts, the

conference insisted on raising

the target to 300,000 houses a and Strathclyde, then MP for Glasgow Pollok, caused some consternation by accepting it. The revised programme was factor in the Tories' 1951 General Election victory; and Harold Macmillan, as housing minister, established his political reputation by achieving the target within a couple of years.

Just over a decade later Tam

Galbraith - Tory MP for Glas-

gow Hillhead who died at the

thrust into prominence by the Vassall spy case.

John Vassall, later jailed for spying for the Russians, had worked in Galbraith's office during his term as Civil Lord of Mandelbaum also found time the Admiralty and questions arose about their relationship. Galbraith resigned as Under-Secretary for Scotland in 1962 but after being cleared completely by the Radcliffe Tribunal was reinstated in the Government by Macmillan in May.

> Within a month, however, the Establishment - bashing marked the case was resumed with increased ferocity as the Profumo affair broke and led to Macmillan's retirement and the 1964 defeat at the polls.

> Galbraith retained his seat in the Commons to complete a career of almost 34 years at Westminster. But the by-election now caused by his death ironically now spells trouble for the Tories.

Waiting time

A progressive start to the New Year at the Stock Exchangestill active in the Lords, was the and one that may raise a few eyebrows from the floor this Having become members, dealers, clerks and blue-buttons, women have now been admitted to the last remaining male enclave in Throgmorton Street

and Linda Knight will join the ranks of the Stock Exchange waiters, the institution's security and messenger service. They are among five new waiters being appointed to fill vacancies caused by retirement.

More than 200 inquiries were received in response to an advertisement for the jobs. Women have applied unsuccessfully for posts as waiters before. "But there was no closed shop . . . no bar against them," I am assured. These two ladies. weekend two days after the both of whom previously held

In recent years, he has headed award of a knighthood - was clerical jobs, were just the first to he considered "suitably qualified."

The two women, like all newcomers, will take part in an induction course before sharing the general, and more public duties of the 64-strong service. They will wear jackets and skirts to match the men's uniforms-black with red collar flashes, and fortunately more easily adapted to the changing times than the old frock coats and top hats.

Side splitting French television's

debate on national humour on Saturday night turned out to be no laughing matter. Glasses were broken, chairs

overturned. obscenity-laden insults and threats exchanged and several of the more drunken of the 30 or so guests forcibly ejected from the studio before the end of the programme.

The occasion for the "debate" was the death of the viciously-satirical magazine "Charlie Hebdo" which for 13 years, when its issues have not been banned or seized, had taken on every taboo and sacred cow in French

Its volatile staff used the television programme to have a final fling against right-wing and youthful critics of their freedom of expression. Producer and host Michel

Next week Margaret Brant Polac admitted that "things got out of hand," But the programme was allowed to run its

"When you walk into a bistro, the words that the television audience heard are part of current conversation."
Polac explained. "I don't see why on television we can't broadcast programmes on the same level. It's new." Risk of a repeat next week-end was slight. Polac added.

Observer

Must the cold killer strike again?

Cold threatens the old. The recent severe weather claimed many victims—elderly people who suffered and fell ill and for whom loneliness makes it even harder to bear.

The danger is "hypothermia." a fall in "inner" body temperature (to under 35° C). It is medically estimated that up to 20,000 old people die in winter as a result of illness brought about by cold. Severe cold may return and with it the silent menace to the old, many exist in damp, chilly rooms, they have become so used to hardship and in their loneliness often fail to notice that they have become even colder—until it is too late.

Help the Aged is doing its utmost to provide one of the much needed answers: many more Day Centres. where old people find warmth, friendship and low cost meals. Help the Aged and volunteer drivers also pioneer minibus transport to take the frail and housebound to centres.

The need for this and other help is especially urgent at this time of year. (Only two old people per thousand have a chance of a Day Centre.) £50 provides help for a Geriatric Medical Day Hospital. £25 provides a continuing daily place for someone in a mobile centre. £150 perpetuates a loved name on the Dedication Plaque of a Day Centre.

Please use the FREEPOST facility and address your gift to: Hon. Treasurer, The Rt. Hon. Lord Maybray-King, Help the Aged, Room FT5, FREEPOST 30, London W1E 7JZ. (No stamp needed.)

Please let us know if you would like your gift. used for a particular purpose.

The prospect of neither heaven nor hell

By Jim Ball

THE indications are that the fall in output has been

arrested, but whether temporary or permanent,

THE EVIDENCE SUggests that, allowing for the usual margins of error, total and industrial output in the UK ceased to fall by the end of the first helf of just year. In the third total output as asured by the gross domestic product on an output basis recorded an increase of 0.7 per west over the second quarter. Whether temporary or permament, the fall in output has been arrested.

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To suggest that this mean the current recession has ended is premature. Certainly, for output as a whole and far many industrial and commercial organisations, the second half of the year will signify a turning point in their fortunes. But output remains substantially below the trend value that might have been expected, even on a pessinistic basis. In that petitier of heaven nor held sense, the recession persists atthough for some purgatory and indeed will persist for some may still seem the order of the time to come. Compled with the day.

The modest recovery forecast output, the modest re expected to rise comewhat panied by some revival in in-further on present policies, dustrial production in general. although at a substantially slower rate, into 1982 The general consensus of on manufacturing industry has convent forecasts suggests that total output will confinue to recover in 1932, at a very st rate, possibly folio by some acceleration in 1983. This depends substantially on the prognosis for the OECD countries in general Some broad numbers and magnitudes for the UK in 1982

FORECAST * (Rates of increase) 1982 compared to 1981 Gross Domestic Producti Gross fixed investment UK unemployment (wholly unemployed excluding fourth quarter)
Stockhalding
Based on recent
costs. Y 1975 prices.

are given in the accompanying table, which reflects the central tendency implied by a number bers reflect my general view that the economy will neither sink violently into further recession, nor recover strongly. as some commentators have suggested. The prospect is one

dustrial production in general. and manufacturing industry in particular. The major impact resulted from the behaviour of real interest rates and the exchange rate which, together with the wage explosion of 1980. have been the major proximate causes of massive destocking, output reduction and loss of profits.

massive This destocking should reverse itself. Indeed.

for a number of industries. anecdotal evidence suggests that it has already come to an end. Among the forecasters as a whole there is a substantial measure of agreement with regard to the shape of things to come in 1982, given the current basis of government economic policy. There are two notable exceptions to this. The Liverpool Group, under the direction of Professor Patrick Minford, presents a more optimistic view of the outlook over the next few years. The Cambridge Economic Policy Group (CEPG) under the direction of Professor. Wynne Godley, on the other hand, interprets the current arrest to the fall in output merely as a stopping place at which to catch breath before the downward plunge of output and the inexorable rise in

deceived. While many of the other groups are closer to-gether in terms of their actual projections of what will happen with unchanged policies than Liverpool and Cambridge, this what might reasonably be achieved by the discretionary exercise of economic policy. For the National Institute of Economic and Social Research policy incomes remains a key element in any attempt to produce a more

unemployment continue.

Professor Ball argues that to suggest this means the end of the recession is premature. Below, Barry Riley sees the key question for the British corporate sector being whether it has the ability to finance a revival in its fortunes to bring at least a modest recovery of activity in 1982. a hopeless attempt to reconcile "normal level" by 1983, but unconstrained aspirations and also that this can be achieved economic reality, the latter without any further major demanding a medium-term com-

mitment to a disciplined fiscal and monetary policy, Any comparison of views about the British economy must made along a limited number of dimensions. For present purposes, I focus on three.

The first of these concerns the competitive position of the UK economy in the world at It should be familiar large. ground that the combination of excessive wage increases in 1980 (in particular), coupled with a apparent agreement conceals strong exchange rate, resulted profound disagreement about in a major loss of UK competitiveness in the international economic world. This impinged at the outset on the profitability exporting and surprisingly little, as it happened, on the volume of exports. Clear differences of opinion arise as to whether and how competitive-

satisfactory future both for out- ness can be restored. The Liverpool group postu-London Business School, in the lates that not only will comlonger term incomes policy is petitiveness be restored to a their standards of consumption.

decline in the nominal exchange rate. That is to say, competitive pressures will restrain the rate growth of unit labour costs to bring about the desired result. However, at the other extreme

the CEPG believes that wages cannot be expected to make any such adjustment, while any attempt dramatically to alter the competitive position by managing the nominal exchange rate will merely result in runaway inflation. The second important dimen-

sion concerns the behaviour of real consumers' expenditure. Here, the principal difference concerns the interpretation of real disposable income in the immediate future. The London Business Schools (LBS) and the Group are more optimistic than the CEPG and the NTESR in expecting that consumers will adjust their exceptionally high levels of saving downwards in order to protect

NIESR expects total output to fall. rise in 1982 by 0.6 per cent, the LBS expects it to rise by 1.7 per cent. I estimate that about half the difference in that forecast arises from the difference in forecasting consumers' expenconsumption will show no growth in 1982.

• The third principal dimenboth stockbuilding and private fixed non-residential investment. It should be common ground that destocking and the emergence of major additional unemployment during the recession are the result of the enormous squeeze on corporate profitability. The behaviour of corporate profits and the financial state of the company sector therefore crucial to the understanding of the behaviour of corporate expenditures in general

London Business School for example believes that stock-London building will recover .more strongly in 1982. On the other hand, the CEPG expects further decreases on a substantial scale. However, a number of the forecasters believe that cor-porate profits will rise strongly in 1982, probably by 30 per cent, although from a dis-astrously low base, and that palance sheets are being and will be strengthened, to permit the maintenance of fixed investments over what might have been expected in relation to the volume of output, and resump-tion of stockbuilding, as both eral level of nominal demand

· It is perhaps not surprising against this that ground the demands for reflation have increased. Demands, if not for a U-turn, then at least for some curving away diture. For the Treasury, real from the present path, appear daily. Sad to say, most of these the demands assume that Government has actually been sion concerns the behaviour of successful in achieving some of its apparent objectives. In point of fact, the Govern-

> ment's rhetoric has substanti-The control of inflation, cuts in public spending, cuts in taxaincreases in public sector prices, and substantial increases in public sector pay since the Government took office, reflect incompatibilities that the incompatibilities economy has been incapable of assimilating and still generate the path of nominal incomes and prices as outlined in the Financial Medium Term Strategy. More receptly, the behaviour of world interest rates has been imposed on the Government's attemots to restore its fiscal and monetary fortunes. This has been its

major piece of bad luck. But the response to all this should not be in some sense to negate the attempt to provide the necessary financial framework within which inflation may be brought under control and jobs ultimately saved. The concept of a U-turn is quite inappropriate. Reflation, if this is

coming months-stock market

average pre-tax gains of 20 to

public companies to consider

This will allow

To illustrate the point, while the profits rise and interest rates (already expected to grow by NIESR expects total output to fall. will do little or nothing in the short run to deal with the problem of unemployment.

Even favoured policies such as cuts in the national inswance surcharge will impact Pri marily on company profitability (which is already forecast to improve) rather than on the unemployed. Such a change is insufficiently discriminatory given the limits within which one can manceuvre without totally abandoning the Government's attempts to put the nation's finances in order.

As I argued in these columns tion, the increase in VAT, major 12 months ago, the unemploy ment problems must be seen in the short and in the long term In the short term, direct measures geared to the unmeasures geared to employed offer some hope of alleviating distress during the adjustment process through which British industry is passing and will continue to pass for some time to come. As to the longer run, further procontext of a coherent government industrial strategy which must encompass a long run view about public sector capital expenditures and the havolvement of government in development and training programmes. tinue to demand government responsibility of a positive nature. On this front, since I wrote a year ago, I fear that the progress made so far has been disappointing.

Professor Ball is Principal

The corporate sector: early financial obstacles in the new year

AFTER THE agonies of the fifth from the very depressed past two years, British com- level panies will be hoping with a 1980. reasonable degree of fustifica-tion—that 1982 will bring at least a modest receivery in activity. But the keylquestion for the coming year is whether the corporate sector will actually be able to finance a revivation its fortunes.

The closing months of 1981 brought some relatively en-counging statistics for British conicanies. From a low point touched last spring, manufacring production had overed by about 31 per cent October. Trading profits of industrial and commercial com-

panies in the July-September

level of the same quarter of

rebuilt their liquidity. them more successful of managed to raise some £1.8bn through rights issues last year. And by dint of often drastic housekeeping measures, the industrial and commercial company sector achieved a financial surplus of around £1bn in the first half of 1981.

As 1982 opens, it is possible to point to a number of conflicting trends within the British economy which are polling the company sector in different directions.

First, there is the long-term powerful effect in improving the decline in manufacturing out financial health of companies.

put caused by factors like the The reductions in stocks alone reliance on old industries, and were worth something like the raising of sterling to £41bn to cash flow in the first uncompetitive levels by North

put and employment. For the

Second, there is the cyclical or short-term fluctuation in output caused primarily by adjustments to stock levels, which could be an expansionary influence in 1982. At the very least. it should be a much less contractionary factor than it was in the early part of last year.

Third, there is the relative buoyancy of other parts of the economy-notably oil and gas, but also many of the service and distribution areas. Last year's cutbacks had a

money markets are likely to remain very tight for some months yet. So 1982-at least the early

part-threatens to bring finan-

have exaggerated the under-

lying liquidity of the corporate

sector. Huge amounts of tax

remained unpaid for many

months because of the civil

servants' dispute. Recently,

bank borrowing by companies

has begun to increase again as

the backlog is cleared, and the

sector. Whereas 1981 began with the prospect of lower innine months of the year. Now terest rates and an associated weakness of sterling — hopes which were fulfilled until profits are improving sharply, thanks largely to gains in pro-September — the New Year There is evidence, however, opens with upward pressure on money rates. that the published figures may

> Since interest payments cost industrial and commercial companies something of the order of £8bn a year this is of major importance. Moreover Government appears determined to maintain the strength of sterling—thus limiting export profits, and restricting ability of companies to raise their prices in the home market too, wherever there is import

only serve to increase the problems of manufacturers, though the weakness in many commodity prices is an offsetting industry has already been on a factor. The closure of the Invergordon aluminium smelter is only the latest reminder that structural problems of of stocks had already slowed industry remain to be fully sharply, and manufacturers'

Last month the Bank of England calculated that in real terms the profitability of non-North Sea industrial and commercial companies had declined by early .1981: to a return of analysts are talking only some 21 per cent of capital employed, the lowest recorded level. Any modest 25 per cent: recovery achieved in 1982 has to be seen in this context.

When returns are so low, any rights issues so long as the phase of expansion is bound to stock market remains reason ably firm. So although the general excome up against early financial arguably. obstacles. pectation is that the corporate recovery tack for more than sector will move back into six months. By the third

sizable financial deficit in 1982, quarter of 1981, the rundown the prospect is by no means a disturbing one-if only because company managers are likely work in progress was beginning to err on the side of caution in rise after seven straight entering into new commitments, quarters of decline. Many companies will be rely-In comparative terms, bowever, reported company profits are going to look good in the

ing primarily on gaining the benefits of the extensive surgery that has been undergone in the past two years. That surgery should bring relief - but looking beyond 1982, it will not necessarily bring a fundamental many of the larger, healthier cure.

BARRY RILEY

Recovery is just around the corner—again

By Anatole Kaletsky

THERE IS good news from eco. Far from providing the impetus nomic forecasters for the New which was going to pull the Year the long-awaited world whole of the world economy out economic recovery is now just of recession, the spurt of rapid around the corner. The bad news growth seen in the U.S. at the is that the same economic re- start of 1981 fizzled out rapidly covery was just around the and turned into a steep decline

corner a year ago.
This time last year, the Organisation for Economic Co of the world have been doubly operation and Development, for depressing. Hopes of export-led example, was forecasting real growth have been disappointed, growth of 3 per cent for the particularly in Europe. At the industrialised world by the beginning of 1982. It now thinks that growth in the first half of the New Year is more likely to be about i per cent. The world will have to wait until the second half of 1982 and the start of 1983 for a return to what used to be regarded as acceptable rates of economic growth.

The main culprit in disappointing last year's hopes that a significant economic revival would be well under way by about now has been the U.S. in the summer.

The consequences for the rest of the world have been doubly same time, the unprecedented strength of the dollar, stemming from a combination of high interest rates and current account surpluses in the U.S., has made it more risky for European governments, worried about their exchange rates and inflation prospects, to stimulate domestic demand. Japan, alone of the major in-

dustrial countries, has been able to buck these trends. Its ability to maintain growth of around 4 per cent throughout the world year cannot offer much comfort

export volume of around 20 per cent at an annual rate in 1980 ported by a big spurt of increases in public investment in the first half of 1981, which is and consumption is still weak. now being cut back as private consumption and investment pick up.

However, even for Japan, the past two years have been traumatic. An economy which was growing at over 10 per cent before 1973 does not easily adjust to much lower growth rates, as the tide of bankruptcies in Japanese small businesses and the growing concern about the economy's excessive reliance on exports demonstrate.

The German economic miracle has been much less successful in surviving the world recession and prospects for the coming

Balance of

recession was due to a surge in to Germans harking back to their economic heyday in the late 1960s. As in Japan, exports and the early part of 1981. are the brightest spot for the Domestic demand was sup-economy. But unlike Japan, a revival in domestic investment

In terms of growth, France probably has the best shortinflation, trade deficits and doubts about the franc's stability make it difficult to be happy about the way the French economy is moving. In the rest of the world, the

patterns established over the past few years — with many Opec countries increasing their pluses are almost eliminated and newly industrialised and developing countries with their own energy powering ahead, while the really poor continue to get poorer — seem likely to continue in the New Year,

Inflation

Fixed

Exchange

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FINANCIAL ADVISOR BANCO INDUSTRIAL DE BILBAO

rate v S capital paymients (% of total (current (end of year) prices in Sbn) labour force) 1981 1982 1981 1982 1981 1982 1981 1982 1927 ... 1982 1981 1982 -37 -24-0.6 **--1.**5 0.8 1.9 1.9 1.2 OECD -36 -02 11.6 10.8 7.8 -26 **-**20 -24 : 33 -0.6 2.0 **EEC** 13 -31 4.3 -3.8 3.4 B.1 7.5 8.7 1.85 US. -64 - 1.21.89 1.91 12.0 11.0 115 26 10.6 12.8 -5.9. 2.1· --26 99 (\$/£) (\$/£) UK 2.3 1.25 5.7 3.7 222 195 6.5 14.7 28 . 41 22 23 45 3.9 japan -113 -22 2.27 2.00 -4.1 - 1.548 5.9 1.7 5.1 -0.8 -1.8 1.3 West German -6.8 -5.2 5.74 5.54 -1.7 -0.2 13.4 . 13.9 7.7 3.7 -48 0.4 2.6 1,210 1,172 -1.4 -1.2 -70.4 ~5.6 19.5 16.1 -1.7 25° 8.2 8.9 <u>-9.5</u> 2.7 0.89 0.85 10.0 5.1 -7.0 -7.A 5.6 5.3 4.1

A CONSENSUS OF FORECASTS

AN AVERAGE OF THE MAIN FORECASTING BODIES

All figures are % changes on average for previous year, unless otherwise stated

Australia NOTES:
1, For QECD and EEC tigures, sources used were: OECD, EEC, Chase Econometrics, Wharton, Henley, London Business School, NIESR, Phillips and Drew, For QECD and the regules, sources of the forecasting agencies. UK: Treasury, CBI; U.S.: average of 40 main forecasting agencies of the forecasting agencies of the forecasting agencies, additional material was drawn from testional forecasting agencies. UK: Treasury, CBI; U.S.: average of 40 main forecasting agencies occurrences, additional material was drawn from testional forecasts. McCaughan, Dyson, Capacital McCaughan, Dyson, Exchange retained to the forecast average aschange as for 1982.

Exchange retained forecasts were based on average of the forecast average aschange as for 1982.

E.T. Statistics December 1982 in local currency were converted to 5 by the forecast average aschange as for 1982.

3.4 3.8

F.T. Statistics Departmen

Pru maintains growth in new life and pensions

tum of its growth world-wide in cent up at £10.6m, against £7.2m. new life and pensions business.

vanced from £212.1m to £239.4m annual premiums rising 7 per a rise of 13 per cent, the same cent from £61.6m to £65.8m, rate of growth as in 1980, while against a 25 per cent increase in single premiums at £131.5m 1980. This reflects the impact of (£104.4m) were 26 per cent the recession on the class of higher compared with a minimal policyholder using industrial 11 per cent growth in 1980.

However, growth in individual life and pensions business in the pensions business held up UK from the main subsidiary, remarkably well last year, UK from the main subsidiary, Prudential Assurance, showed a despite the recession. Annual mixed pattern with annual pre-

dual life business improved by single premiums to £25.9m.

a mere 5 per cent from £44.2m

The managed fund subsid to £46.4m, while on self-employed pension contracts, annual pre-miums were 10 per cent higher

Authorised

£

6,250,000

The Prudential Corporation, pensions rising over 50 per cent brugh Life, were excellent on the largest life company in the from £5m to £7.9m, while annual premium business which UK, has maintained the momenannuity sales were nearly 50 per expanded from £2.1m to £7.8m,

Business in the industrial New annual premiums ad- branch slackened last year, with branch contracts.

However, the Pru's UK group premiums went ahead by 6 per from £62.3m to £66.5m, while single premiums were nearly 50 per cent up at £18.5m, against £12.4m. Annual premiums on indivi- £26.2m and a 17 per cent rise in The managed fund subsidiary, Prudential Pensions, had a

slight, rise in annual premiums miums were 10 per cent higher to £19m, but doubled its single at £20.1m compared with £18.1m.

Single premiums were buoyant in the UK, those on self-employed the linked-life subsidiary, Van-

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Nikko Securities

a change of address

as January 4th, 1982

The Nikko Securities Co., (Europe) Ltd. Nikko House, 17 Godliman Street, London, EC4

NIKO

England Tel.: 248-9811 Telex 884717

by the Council of The Stock Exchange to the Official List.

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London Office: Imperial House

Registered Office: Winslade Park

London and Manchester Group plc

with most of the growth coming from the successful marketing of its self-employed pension con-tract with its loanback facility.

Annual premiums on this contract rose tenfold from £650,000 Single premiums £6m. dropped nearly one-third from £39m to £29.3m, but in addition the company's Jersey subsidiary took £17m on its successful Overseas business of the Cor-

poration was also buoyant. New annual premiums on individual life and pensions business of Prudential Assurance were 25 per cent higher at £32.7m (£25.6m) while single premiums doubled from £18.5m to £39.8m. The growth in new long-term business of the reinsurance sub-sidiary Mercantile and General Reinsurance Company came mainly from overseas. New annual premiums were 20 per cent higher at £21.4m (£17.8m),

but single premiums came back 15 per cent from £6.1m to

fully paid

5,732,711

4 January 1982

Scrimgeour, Kemp-Gee & Co.

20 Copthall Avenue

London EC2R 7JS

the USM York Mount Group, a Leeds based construction company, is joining the Unlisted Securities Market following a placing by

Hill Woolgar of 1m ordinary 10p shares at 46p each. All the money raised, £397,300 after expenses, will be for the The directors say that the increased capital base will allow the group to under-

set for

take more and larger building contracts. The company was formed in 1971 by the present chairman, Mr Harry Turpin. The principal business of the group is build-ing, though it has also moved into property investment and industrial and office partitioning.

ing works and last year bought Universal Fertiliser for £95.000. In the nine months to Septemher 30 1981 the breakdown of trading profits shows that construction made £152,000, partitions £10,000, property investment £32,000, printing £15,000, and Universal incurred a £3,000

York also operate a small print-

The group's record shows that pre-tax profits have grown from 1980. In the first nine months of 1981 the pre-tax surplus amounted to £219,000.

The company is forecasting that profits for the full year will not be less than £254,000. On this basis the company is coming to the USM on a pros-pective p/e of 15.08 (fully diluted for the convertible

The directors intend to pay a single dividend of 2.1p per share -if the company has been quoted for a full year the paynent would have been 4.508p per share indicating a yield of

Three quarters of the capital the non-participating convertible shares—is in the hands of the directors and senior managers. These shares will not receive dividends until 1984. The convertible shares will be convertible into the ordinary on the year ended December 1983.

Brokers to the issue are North-

FT Share Information

The following securities have been added to the Share Infor-mation Service: A and G Security Electronics (Section: Electricals).
Credo Petroleum Corporation

(Oil and Gas).

McLeod Russel 8.4 per cent
Cum. Red. Pref. 1990-92 (Teas— India and Bangladesh).

New Australia Investment Trust (Investment Trusts). International Sampang (Java) Plantations (Rubbers)

Television South (Leisure). United Ceramie Distributors (Buildings). MIAG

York Mount New trust aims at 'recoveries'

specialising in recoveries and appropriate." recently formed companies is being launched by stockbrokers, Smith Keen Cutier.

Asset Special Situations Trust is raising just under £3m by the placing of 10m shares at 30p. Warrants are attached to the ordinary shares on a one-for-ten August 30 in any of the years 1983 to 1990.

The company will be managed by its directors. These are Mr D. K. Rowe-Ham, a senior partner of Smith Keen Cutler, Mr J. M. Wardle, a senior partner of solicitors Edge and Ellison, Hatwell Pritchett and Co., Mr M. G. Andrews, previously chief executive of Brandt's, the merchant bank, and Mr F. C. Wardle, a Midlands industrialist

(no relation of J. M. Wardle).

There will be four main areas panies thought to be recovery prospects. Two, listed companies with above average growth potential. Three, private companies with sound track records seeking additional capital. Four, management buyouts with the investment taking the form of equity and prefereface shares or equity and loan

capital. Market conditions, the directors say, may necessitate the maintenance of "a significant level of liquidity." The initial working capital available will be invested in gili-edged stocks and

The directors say: return on certain of the com-pany's investments may be small investment in recovery situations and in young companies usually requires a longer-term view and may well involve a greater degree of risk than investment in well established companies.

The company has available on normal banking terms a facility say "it is not envisaged that in the present era of high interest rates any material use of bank

The total expenses of the placing are about £95,000 including

a c20,000 fee to Smith Keen Curler, the brokers to the issue. Edge and Ellison, Hatwell Princhett and Co., where Mr J. M. Wardle is the senior partner, will receive a fee in connection with basis. The warrants entitle the company's formation, preholders to purchase one paration of the document and the ordinary share for 30p on placing agreement.

The directors sav: "It is certain that Smith Keen Cutler and likely that Edge and Ellison, Harwell Pritchett and Co., will in future receive commissions or fees in connection with further

work undertaken The articles of association oblige the directors to propose a resolution to wind up the company at a general meeting between December 1 1991 and December 31 1991.

The company will be listed on the Stock Exchange and dealings of investment. One, listed com- are expected to start on Jaou-

• comment

Asset Special Situations Trust is obviously not an investment for nique of aiming for special situa-tions with an above average risk in order to get above average gains is as old as the concept of investment itself. Channelling funds through an investment trust, rather than by direct holdings, does give a eouity spread and thus reduces the danger of substantial losses. But equally a spread reduces the chances of exceptional gains. How the fund performs will de-pend on its managers. They have and capital growth will be the no track record as such, unlike main investment objective." In the older established investment addition the board stresses, trust houses. So potential investors are left to weigh up the abilities of the personalities in-volved. There is a clear Midlands bias and presumably local con-tacts will enable the managers to spot some situations, especially unquoted ones, before the rest of the investing public. The provision for winding-up after 10 years has proved a useful means of limiting the discounts on other specialised trusts and may do so

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THE TRING HALL USM INDEX 118.0 (unchanged) close of business 31/12/81 BASE DATE 10/11/80 100 Tel: 01-638 1591

Dates when some of the more important company divid Dates when some of the more important company divid to statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements, except where the forthcoming board meetings (indicated thus*) have been officially published. It should be emphasised that dividends to be declared will not necessarily be at the amounts in the column headed "Announcement last year."

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	Алпоилсе-	MotorJan 74 P	inal 3.75
Date	ment last	"LIDUDE DOILE WITH "	inal 9.6
	ye ar	LengtoFeb 5 F	inel 6.0
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		Southerns Jan 13	nt. 2.0
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etyFeb 12	Inc. 2.2.	Terrethouses	
ctronic RentalsJan 7	Int. 1.167	Forte, Jan 41 17	nai 9.643
othern inti. Jan 27	Final 3.0	Lincon	
th LovellJan 29	Int. 1.491	Discount Jan 27 F	nat (7.V
inness Peat Feb 10		Board meeting Intimete	d. f.Right

The Stock Exchange in connection with the Placing by Hill Woolgar & Company p.l.c. of 1,000,000 Ordinary Shares of 10p each at 46p ber share in York Mount Group p.L. ("the Company"). Application has been made for grant of permission to deal in the Ordinary Shares of the Company on the Unlisted Securities Market of The Stock Exchange. It is emphasised that no application has been made for these securities to be admitted to listing.



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> be issued fully paid

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300,000

2,000,000 Ordinary Steres of 10p each 3,000,000 Non-Participating Convertible Shates of 10p each

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Shares have been offered to and are available through the Market. Full information regarding the Company is contained in the Extel Statistical Services, and in a Prospectus dated 30th December, 1981,

copies of which may be obtained from :--Hill Woolgar & Company p.l.c., Northcote & Co., Northgate House, 5 Frederick's Place, Copthall Close London EC2P 2JJ. London EC2R 8HR

Hill Woolgar & Company p.l.c., 137 Royal Exchange St. Ann's Square.

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by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

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Annual Interest gross pay Minimum of interest able sum bone Authority (telephone number % 14; }-year 1,000 Knowsley (051-548 6555)

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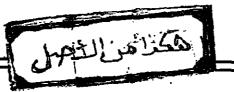
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Banque Nationale de Paris p.l.c. The Commercial Banking Company of Sydney, Limited Midland Bank Limited The National Bank of New Zealand Limited Standard Chartered Merchant Bank Limited

Agent N. M. Rothschild & Sons Limited

The outlook for 1982

INTERNATIONAL BONDS

BY ALAN FRIEDMAN

More famine than feast

THERE SHOULD be room for the uncertainty it brings, there difficult, however, to assess their In the convertible bond one more rally in the Eurobond is room for profitability under true value. The "Street" has market, the big story was the pward pressure on interest whether the Federal Reserve rates and could offer more of a cases rates. If it does, and if famine than a feast for Europe's the U.S. economy shows further volatile capital markets. weakness, the Euromarket could

sensus view of Euromarket Term. investors, issue managers, and traders returning from the New Year holidays. More than ever, the key ingredients in determining how the market behaves will be the impact of the U.S. Government's 1982 budget deficit and the fate of the

American economy.

The deficit could range between \$80bn and \$100bn which imposes an enormous burden on the U.S. credit markets. Their ability to finance the deficit is bound to be felt in European capital markets which over the past year have followed closely the trend in New York

As for the U.S. economy, recent indicators paint a picture. of bona fide recession. This, in turn, has sustained the November rally in the Euromarket, although prices withered in the weeks before Christmas.

The big question is now whether the rally can be revitalised. Short-term interest rates may not shift radically in the next few weeks, but a little more statistical input about the yield of 16 per cent or more, another rally.

Dr Henry Kaufman, the Salomon Brothers economist, said last month that the bond rally was 75 per cent over. He added that this leaves open the . It is unclear whether the prospect of a further rally in Euromarket will be able to prothe opening but the conditions are not yet, such as last year's warrants and

volatility in short-term interest for new techniques.

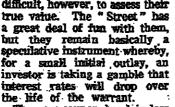
rates. Federal funds ranged Last year has been called by between a low of 10 per cent some "The Year of the and a high of 24 per cent. The Warrant." Following a volatile between a low of 10 per cent-and a high of 24 per cent. The

The six-month Swiss trane by Transamerica, Wells Fargo rate fluctuated within an equally and others. A warrant is simply staggering band, between 51 per spiece of paper which enables cent and 121 per cent. The D. the bondholder to purchase mark rate reached both a high additional bonds under specified of 131 per cent and a low of terms.

obnicies

This appears to be the con be in for a profitable Lent

As for the Eurodollar bond market's current yield curve,



speculative in nature, but like is greatest at times of excepthere is still money to be made tionally high interest rates. Such

ing their lasting appeal to

Will 1982 see yet another

record coupon? This is the kind

of question nobody wishes to

answer for the time being. Last

year saw a 171 per cent coupon

paid by Trans Canada Pipelines

on its \$75m seven-year offer.

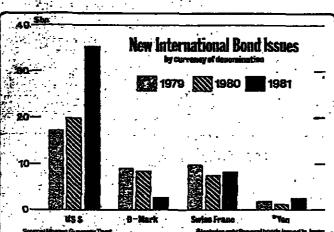
The issue went well in a volatile

market, but the borrower paid

Likewise, the Euro D-Mark

bond sector saw an enormou

dearly.



night. With a two-year yield sold at a very deep discount so of just above 15 per cent on that they offer the prospect of quality paper and a 10-year large capital gains. Because of this structure they are unlikely U.S. recession could spur positive carry still exists.
another raily. Looking ahead though, signs ever to rise above par in secondary market trading, whereas bonds with high coupons would rise above par that the U.S. economy is set for prove rather unhealthy for the as interest rates dropped, reduc-Eurodollar bond market.

opening months of 1982, duce still further innovations Last year saw a phenomenal market is not a bad incubator

six-month Eurodollar deposit patch last June, the summer rate, a key indicator in the saw the first bond issue with Euromarket Euromarket, ranged between defachable warrants from Citi-124 per cent and 194 per cent corp. This was soon followed

To a certain extent the war-Bankers have now grown rants have proved tradable in Australia even mana used to potatility and despite the market. It remains rather coupon of 91 per cent.

market having the first quarter the right circumstances. In the a great deal of fun with them, shump in Japanese convertibles of this year, but the second next 30 days the markets will but they remain basically a last September. Credit Suisse half of 1982 may bring renewed be watching carefully to see speculative instrument whereby, First Boston was one of the for a small initial outlay, an few European houses with the investor is taking a gamble that nerve to stop an issue (Toshiba's interest rates will drop over \$100m convertible), but the decision was taken in view of The zero-coupon bond is less dramatic selling pressure and a

glut of new issues. The halt of Toshiba was simply common After a couple of months of by holding certain paper over- bonds pay no interest but are histus, the Japanese borrowers were back again in December albeit on a much-reduced scale. Now. the securities houses which count—Daiwa, Nomura,

Yamaichi and Nikko—claim they have achieved a new system of self-regulation. Working under the informal supervision of the Ministry of Finance in Tokyo, the Japanese lead-managers will inaugurate a quarterly limit of \$1.5bn starting in April. They also plan to limit new issues to one a

The Eurobond market remains suspicious of Japanese convertfbles, particularly because there is talk of a number of new issues this month and next. If the securities houses self-regulation, should they go about the business of new issues with less discipline in the weeks leading up to the start of the

TOP LEAD MANAGERS IN THE EUROBOND MARKET

1 CSFB	3,657.7
2 Morgan Stanley	1,730.8
3 Deutsche Bank	1,393.0
4 S. G. Warburg	1,288.1
5 Merrill Lynch	1,154.0
6 Salomon Bros.	1,021.6
7 Nomura	902.1
8. CCF	805.0
9 Orien Royal	636.0
10 Morgan Guaranty	616.7

111 per cent coupon paid by Venezuela on its November DM 100m issue. By the end of the year, however, it was possible to get away with a coupon of less than 10 per cent and the DM 300m paper for **CREDITS**

BY PETER MONTAGNON

industrial countries and the less

There is still no likelihood of

developing, it says, with well-

rated creditors continuing to

enjoy adequate access to the

market. Yet the prevalence of

rescheduling operations may

Going getting tougher

In the convertible bond TWO THINGS seem clear about the syndicated bank credit diverse, but common threads which may increasingly turn into could vary between highly rated market at the start of 1982, emerged which are likely to hold new borrowers, it said. First, last year's record borrowing levels are unlikely to be repeated and second, many bor- sensitive and less willing to ing the fierce competition for really tight credit conditions rowers are likely to find the make loans on ultra-fine spreads. new business in the syndicated going tougher with conditions Some countries have saturated loan market which has exerted on their loans tending to harden.

> crease in market activity. New engendered an air of caution loans totalled no less than \$132.3bn, according to figures from Morgan Guaranty Trust. with only compared 277.4bn in 1980.

But these figures disguise the fact that a large portion of the increase came from borrowing U.S. corporations. U.S. offtake from the syndicated loan market last year rose to \$54.2bn from only \$6.7bn a year earlier and the bulk of these borrowings were arranged in the summer at the height of the merger mania on Wall Street.

Suddenly major corporations were raising massive amounts either to finance takeovers or to defend themselves against nowelcome bids. The record for individual deals was set by Gulf Oil and Mobil, each of which raised \$6bn almost in a matter of minutes.

The pace of borrowing was seen in many market quarters as a testimony to the liquidity still available to top-rated bor-rowers, but it also took on a rather unreal air.

Indeed, the circumstances in these loans were arranged were so unique that the episode seems hardly likely to be repeated. Meanwhile the rate of increase in other borrowings was very much slower. Excluding U.S. borrowings.

new business in the syndicated loan market rose by only \$7.4bn to \$78.1bn, which in turn was well below the record \$80.5bn seen in 1979, and while banks were falling over themselves to lend to U.S. corporations, they were becoming decidedly more reserved towards some of their other

Countries for which margins increased last year included such substantial borrowers as Mexico, Argentina and Chile, while in the autumn the fees had to be increased on two as a factor likely to push up prestizious loans for the New loan margins. Lower oil prices to be little prospect that a 19 Lloyds 8k. Zealand Petroleum Corporation have severely limited the supply and for France's electric utility

The reasons for this were oil exporting countries, some of OECD suggests that the pattern good into 1982. International banks have become more profitthe market with too much a strong downward pull on Last year saw a staggering in- out Polish debt rescheduling has years.

halt. In the final four months of and to arrange credits on very

decided to shelve plans for an

of that country's own payments

Elsewhere in the world there

were other reschedulings—for Costa Rica, Bolivia, Liberia, and Sudan—which only served

to reinforce this air of caution

so that finally banks began to

talk of a generalised increase in

margins whose effect would be

This thesis received a con-

siderable boost last month from

the Organisation for Economic

Cooperation and Development

which suggested in a report on

the capital markets that harder

Besides questions of profit-

ability and increased country

risk awareness, the OECD cited

the softness in world oil prices

conditions were in the offing.

felt well into 1982.

problems.

Overall, the OECD said, this popular developing nations. would have the effect of reduc-

borrowing and the long-drawn spreads over the past three

Eurocurrency Bank Credits

1979 1980 1981

last year only \$170m of new low margins. In the Far East,

credits were arranged for Indonesia and Malaysia have

Comecon countries, while a each obtained 10 year money at group of international banks a flat it per cent margin.

\$80m credit to Romania because the tide is turning even in the

months

In the past few months some Already lending to Eastern countries have still been able Europe has come to a virtual to profit from this competition

Many bankers now say that

competitive Far East market as

banks look increasingly to the

profitability of their transac-

But it will still take some time

for the effect of this to be clear.

Japanese banks, which have in

the past been market leaders in

cutting rates, have again become

very active with their quotas for

period increased to \$8bn from

\$6bn in the preceding six

much more active over the past

year, but the big question is

whether they and the Japanese

banks together will be able to

offset the reserve now being

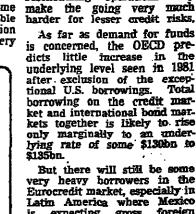
shown by German, French and

If they do not, there seems

some U.S. banks.

Arab banks have also become

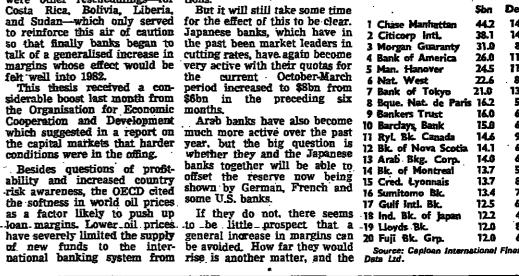
current October-March



But there will still be some very heavy borrowers in the Eurocredit market, especially in Latin America where Mexico is expecting gross foreign borrowing needs this year to reach some \$200n, only slightly below last year's \$22bn.

Brazil is expecting to raise a total of some \$14bn next year after \$15.9bn in 1981. This is based on expectations of a current account balance of payments deficit of some \$9bn to \$11bn, net interest payments of some \$9.5bn and amortisations of existing debt of some \$7.2bn.

TOP LEAD MANAGERS OF SYNDICATED **EUROLOANS**



New Issues

December 30, 1981

Federal Farm Credit Banks

The Thirteen Banks for Cooperatives The Twelve Federal Intermediate Credit Banks The Twelve Federal Land Banks

Consolidated Systemwide Bonds

13,55% \$1,401,000,000 CUSIP NO. 313311 FH 0 Dated January 4, 1982 Due July 1, 1982

13.80% \$1,031,000,000 **CUSIP NO. 313311 FM 9** Dated January 4, 1982

Interest on the above issues payable at maturity

14.625% \$514,000,000 **CUSIP NO. 313311 HG 0**

SERIES-A 1987 Dated January 4, 1982 Due January 20, 1987

Interest payable July 20, 1982 and semi-annually thereafter

Price 100%

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Federal Farm Credit Banks

Fiscal Agency 90 William Street, New York, N.Y. 10038

Peter J. Carney Fiscal Agent

Gerald F. Kierce Deputy Fiscal Agent

This announcement appears as a matter of record only.



Attention: The First National Bank in St. Louis has changed its name.

คำเดือน ธนาคารเพิร์สทเนชั่นแนลแห่งเป็นหลุยส์ ใดเปลี่ยนชื่อใหม่แลว

Atención: The First National Bank in St. Louis ha cambiado de nombre.

Attenzione: The First National Bank in St. Louis ha cambiato il nome.

Attention: The First National Bank in St. Louis har skiftet navn. 御注意下さい

セントルイスのファースト・ナショナル・バンクは 名前を変えました。

Achtung! Die First National Bank in St. Louis hat ihren Namen geändert.

Merk! First National Bank in St. Louis har forandiet navn.

알 림: 세이트 루이스의 제일국민은 바뀌었읍니다.

Atencao: The First National Bank in St. Louis mudou de nome.

Avis: The First National Bank in St. Louis a changé de nom.

注意:花旗銀行聖路易分行 已經變更名稱

Attention: The First National Bank in St. Louis har ändrat sitt namn.

In any language, you can continue to count on Centerre Bank for the same efficiency in international credit, trade and foreign exchange services you received from First National Bank in St. Louis.

Only our name is

Formerly First National Bank

Beatrice Foods on target despite slowdown in growth

BY TERRY BYLAND

Beatrice Foods, the Chicago-based food maufacturer. remains confident that 1981-82 will be the company's 30th-consecutive year of increased sales a decrease in interest charges. and share earnings, although at the end of the third quarter. operating earnings are "flat."

Net earnings for the nine share with sales at \$6.80bn against \$6.55bn. For the whole of fiscal 1981, Beatrice earned \$304m or \$2.94 a share on sales

But this year's nine months For the full year 1981-82, earnings total takes in a \$45.1m earnings of \$3.25 a share have gain on the sale of Dannon, the 78 cents a share compared with expected.

MR JAMES DUTT, chairman of \$80.8m last time. Sales were level pegging at \$2.25on. Mr Dutt comments that net earnings are benefiting from an increase in interest income and

In May last year, the company set itself new corporate goals for the next five years of earnings growth of 16 per cent months show a gain from annually and an 18 per cent \$233.5m to \$298.6m or \$2.92 a return on equity annually.

Further increases in profits from the company's food businesses, which bring in nearly three quarters of current earnings, have been predicted

been estimated on Wall Street former yoghurt subsidiary to compared with last year's \$2.94, BSN-Gervais Danone of France. and there are hopes that the Moreover, the third quarter quarterly dividend will be indiscloses a slowdown in growth, creased this year. Further ex-with net earnings at \$84.6m or pansion outside the U.S. is also

U.S. BONDS

Bear traps for the unwary

A CARTOON showing a football crisis—their fourth in only two player marked "bond market" years—if Wall Street's already battered faith in Reaganomics with a silly grin on his face. rushing headlong into the arms begins to fail. Insofar as there of a huge leering bear wearing is a consensus in these wild a 1932 sash, is how one New and unpredictable times, it is York bank, Bankers Trust, sums that interest rates will continue up the prospects for the capital on the downward, jagged, path markets this year. Its author, they began in the middle of last Alan Lerner, the bank's money year, but with plenty of bear market economist, is not known traps to catch the unwary. for his optimism on interest Like last year, much of what rates, and a lot of people will dismiss it as the work of yet another of those gloomy gurus

happens will be determined not on Wall Street but down in Washington as the Reagan Adwho have wrecked Wall Street's ministration grapples with its hopes so often in the last couple. budget problems against mountof years. But a cheerier wit has ing political odds, and the yet to produce a cartoon show-Federal Reserve hangs in with ing a footballer racing to victory the toughest and most sustained monetary squeeze the U.S. has The fact is that while the New ever experienced.

Year may be dawning in roseate Wall Street has already hue, with interest rates down resigned itself to a record budget sharply from their summer peaks and the credit markets in months have to some a decision which will be tricky in the run-up to the mid-term market's mood is more likely to lower on average this year than they were last. But some nearly fear that the credit markets could be struck by yet another moment are not good.

To reduce the deficit next tained rally in the bond the very one that makes the



deficit this year of the order of to decide in the next few months Reagan-mandated cuts \$80-\$100bn, so the Treasury's whether to raise taxes or cut Federal subsidies to local whether to raise taxes or cut Federal subsidies to local and into precious social programmes. state government have also a decision which will be tricky saddled local authorities with less Wall Street can see hope raise taxes as well. for a drop in Government bor-rowing, the chances of a sus-market's favour is—ironically—

year, President Reagan will have market must be rated slim. The fearsome budget problems, forcing them to borrow more and/or

able: the recession. The drop The Fed's

though nobody likes recessions, the hope, in the financial community at least, is that Mr Paul Volcker, the chairman, will skin to survive the year unbuild on the Fed's newly-won scathed. credibility and resist political pressures to ease up. With annual rate of 7 to 9 per cent, compared to 12 per cent in has something to show for it. But Mr Volcker keeps intoning the message that it would be

it has shown remarkable self-Fed policy-except for one brief to limit whatever lapse in October. But the truce develop.

Administration most uncomfort- is bound to show signs of strain in the coming months, particuin interest rates in the final larly if the economy is slow to quarter of 1981 was largely due pick up. The Fed's targets for to the collepse of the economy, money supply growth in 1982 and the longer the recession are even lower than they were lasts, the more time the capital in 1981. While that may be markets will have to recuperate. excellent news for those who unrelenting want to see inflation licked monetary policy was the once and for all, it provides no culprit, with the prime rate cheer at all for laid-off antostanding at over 20 per cent workers, bankrupt housefor much of the year. But, builders and-ultimately-the Congressmen who have to go to the polls next autumn. Mr Volcker will need a very thick

For investors and borrowers alike, 1982 is bound to favour inflation now running at an the nimble-footed. Catching the peaks and troughs, spotting the windows" in interest rates, will 1980, monetary policy finally be the name of the game. Even though corporations borrowed hillions of dollars during the brief but powerful rally in wrong to think the battle is November, the backlog remains corporate bns enormous. To the White House's credit, balance sheets are groaning under the strain of short-term restraint in its comments about debt. This overhang is bound

PCS planning increase in production of potash

BY ROBERT GIBBENS IN MONTREAL

THE CANADIAN Province of has bought into five potash min-Saskatchewan plans a major ing operations in the Province. expansion of potash production Its expansion programme is by the end of this decade, which aimed to meet a forecast world would make the prairie province demand for potassium chloride the most important potash min-ing area in the western world, the end of the decade. Cominco Potash Corporation of Sas- Ltd., mining arm of the Canakatchewan (PCS), owned by the dian Pacific Group, Potash Provincial Government, now has Corporation of America, and 6m tons production capacity and European-owned Kallum Chemiwill have 12.5m tons by 1989, cals also have major expansion Expansion will cost over C\$2bn plans in Saskatchewan in pro-(US\$1.8bn) in current dollars, gress, and IMC Canada is con-PCS was created by the Provin-sidering adding 780,000 tons of cial Government in 1976 and additional capacity.

Landis rights foreseen

BY JOHN WICKS IN ZURICH

A FURTHER rights issue is 14 existing units. foreseen by the Swiss electrical engineering company, Landis and Gyr, of Zug, for the current financial year 1981-82. Accordi - to the group's house journal, this is likely to involve the issue of one new share and particination cartificate against every

Landis and Gyr, whose total share capital currently amounts to SwFr 149m, recently announced a fall in group profits by 8.5 per cent for the business year ended September 30 to SwFr 54m, the lowest level since 1978.

Senior posts at Jardines

JARDINE, MATHESON AND COMPANY, Hong Kong, has appointed five assistant directors and six general managers. The assistant directors are: Mr John Barton, chief financial officer of the Jardine Glanvill Insurance Broking Group in London; Mr Christopher Brown, group treasurer; Mr Peter Collins, vice-president, finance, Olayan Saudi Holding Company, a Jardine associated company in Saudi Arabia: Mr David Morris, managing director, Gammon (Hong Kong), a Jardine subsidiary and Mr Hiroshi Yasuda, director, Jardine, Matheson and Company

The newly appointed general managers are: Mr Patrick Alexander, executive manager, China trading division; Mr Kenneth Chan Kal-Chi, chief accountant, head office accounts department; Mr Hamish Fordwood, manager, oil and gas department; Mr Andrew Russell, director and vice-president, natural resources, Jardine Davies Incorporated; Mr

Colin Wearmouth, finance director, Jardine, Matheson Regional Holdings (SEA) PTE and Mr Stephen Young Mai-Tsing, director, Jardine Marketing Services Limited (JMS), and manager, wines and spirits division.

Jardine Fleming and Company has appointed Mr Alan Smith deputy managing director and Mr David Miller a director. Mr Smith is in charge of the group's corporate finance department. Mr Miller is deputy general manager of Jardine Fleming (Securities) Tokyo branch.
Jardine Fleming (Securities)
has appointed Mr Michael
Conners and Mr Yoshio Hoshino directors. Mr Richard previously secretary of the Hong Kong Stock Exchange, joins the company as a director • Mr Jack M. Greenberg has been made executive vice-president and chief financial officer OF MCDONALD CORPORATION, Oak Brook, Illinois, from February succeeding Mr Richard J. Boylan who is retiring. Mr Boylan will retain his seat on the Board of directors and Mr Greenberg will be nominated for a seat on the Board.

● Mr Derek Douglas has been appointed managing director of ARMCO UNDERWRITING MANAGERS, Hong Kong, under-

INTERNATIONAL APPOINTMENTS writing agency of the Armco vice-president and general

Financial Services Group which underwrites in the colony on behalf of British National another AFSE company.

Output

Note: President and general manager of the Collins transmission systems division.

Mr Wilfred P. Schmoe, vice-president International Pet-

• Mr Joe C. Culp has been named president of telecom-



munications for Rockwell International's commercial electronics operations, Dallas.

president International Pet-roleum Production of Conoco Inc., has been elected to the newly created position of vice-chairman of the Board of directors of CONOCO INC., a subsidiary of E. I. Du Pont De Nemours and Company, Inc. Mr Schmoe will share through assignment the duties, responsithrough bilities and authority of the office of the chairman. Succeeding Mr Schmoe is Mr F. E. Ellis, who has served as vice-president and special assistant to the chairman since May 1980. Mr Ellis, formerly vice-president in charge of North American Petroleum Production, will return to Houston as vice-president for international production.

• CITIES SERVICE COMPANY, New York, states that Mr Charles chairman, succeeding Mr Robert V. Sellers, who stated his intention to not stand for re-election as a director at April's annual meeting. The company said Mr Robert H. Chitwood has been elected to succeed Mr Waidelich Robert H. Chitwood has been subsidiary of the Swedish Grafoelected to succeed Mr Waidelich as president, with both changes annual meeting scheduled for effective January 1. Mr Chitwood June, Mr Hans Wallgren, chief

officer at that time and has become a board member. He will be succeeded as president of its petroleum products group by Mr David H. Hentschell, who has been executive vice-president, planning, technology and Mr John H. Oltmann has been

elected senior vice-president, technology and services.

 HUDSON'S BAY OIL AND GAS COMPANY, Caigary, states that Mr Gerald J. Maier has resigned as chief executive and taken early retirement. remains chairman and a director until completion of the merger by Hudson's Bay into a unit of Dome Petroleum. Mr William Richards has been elected president and chief executive. Richards who is president of Dome Petroleum fills a vacancy in the president's post caused by the resignation of Mr Richard F. Haskayne earlier this year. Hudson's Bay shareholders will vote January 13 on the proposed merger with Dome Petroleum.

 Mr Yngve Burnelius has managing become deputy managing director of SOLNA OFFSET, a

will also become chief operating executive officer of the Grainprint Group and at present acting as managing director of Solna Offset, will be appointed working chairman of the Solna Offiset board. At the same time Mr Burnelius will take over as Solna's managing director. Mr Burnelius is at present director of finance at Banco:

6 Mr Homer M. Byington III has joined EUROPEAN AMERICAN BANK, New York, as senor vice-president, inter-national division. Mr. Byington is in charge of EAB's Latin America and Middle East units as well as the bank's Edge Act office in Miami. In addition, he is responsible for strategic plan-ning on a division-wide basis. Before joining the bank, he was with Bankers Trust Company.

The superisory board of WESTLAND/UTRECHT HYPO-THEEKBANK has decided to appoint as member of the supersory board Mrs E. Veder-Smit from Leeuwarden, ex-Secretary of State for Public Health and the Environment. The board intends to appoint to the board Mr Boile, who is at present Director of Loans, Sollows Mr K. A. Verhey, who has retired. The appointments will become effective after the annual meet-

NEW ISSUE These notes having been sold, this announcement appears as a matter of record only.



Salinas y Rocha, S.A.

U.S. \$25,000,000 Floating Rate Notes due 1988

Merrill Lynch International & Co.

Citicorp International Group

DECEMBER, 1981

Banco Rio de la Plata, S.A. Banque Worms

The Bank of Nova Scotia International Limited

Crédit Chimique

International Mexican Bank Limited -INTERMEX-

January 1982

FT INTERNATIONAL BOND SERVICE

Bk. America 142, 88 FFr Charb'nages 137, 85 FFr EIB 142, 88 FFr La Radoute 142, 85 FFr OKB 14 86 FFr Sulvay et C. 142, 86 FFr Swed. E. Cr. 142, 85 FFr U. Mex. Sts. 14 85 FFr Acona 14 85 E. Beneficial 142, 90 E. BNP 132, 91 E.

OTHER STRAIGHTS Issued Bid Offer day week Yield Can. Utilities 17 96 C\$ 50 1984, 987, 0 -01, 17.27 Federal Dev. 17, 85 C\$ 40 11047, 1051, 0 0 16.72 GMAC (Can.) 18 87 C\$ 60 11051, 1061, 0 0 16.93 Pancanadian 167, 88 C\$ 65 198 987, 0 0 16.93

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	Br. Colum. Hyd. 15% 88	100	101% 102		
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1	Caterpillar Fin. 161, 85	100	102% 102		15.64
1	CFMP 16% 95	100	102% 103		15.21
1	CIBC 16% 91	100	1021, 102		15.16
4	Citicorp O/S 16% 86	150		1 ₂ +01 ₄ +07	
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	Con. Illinois 14% 84	100	994 99	ኒ 8 ቀው	14.94
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ı		75		0 +0.	
J	New. & Lab. Hy. 174 89	75 75		404 +04	
1	Ohio Edison Fin. 174 88		97-2 98		
ı	OKG 15% 97	50			16.13
1	Ontario Hyd. 16 91 (N)	200	LODGE INT.	7 + 62 + 61	15./4
1	Ouebec Hydro. 174 91	150	Ine 7 Ine	0 0	16.03
1	Quehec Province 154 89	150	101 101	0 +0	
1	Sasketchewan 164 88	100			15.91
ı	Shell Canada 15% 91	100	1924 193	+03, -03	19.10
J	Sweden 141, 88	150		" -0" -0"	
ı	Swed. Ex. Cred, 1612 93	75		0 ተሜ	
ı	Tenneco Int. 17 89	100	103% 103/	-02 -03	
l	Texas Eastern 157, 88	75	971, 98	.0 0	16.43
ı	Transcapada 17% 88	75		04 -04	
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EUROBOND TURNOVER	TURNOVER
(nominal value in \$m)	ue in \$m)
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U.S. \$ bonds 2,249.6 3,778.6 2,927.6 †3,440.1 Last week.... Previous week Other bonds 651.8 283.5 678.0 †313.4 Previous week

† Three days' figures only.

 No information availableprevious day's price.

supplied a price. STRAIGHT BONDS: The yield STRAIGHT BONDS: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week—Change over price a week

Si cent

† Only one market maker

earlier. FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. Cdte=Date next coupon becomes effective. Spread=Margin above six-month

spread—margin above six-muning offered rate (t three-month; \$ above mean rate) for U.S. dollars. C.cpn = The current coupon. C.yld = The current CONVERTIBLE BONDS: De-nominated in dollars unless otherwise indicated. Chg. day= Change on day. Cnv. date=First date for conversion into shares.

Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent research tripe of the current recent price of acquiring shares via the bond over the most recent price of the shares.

The list shows the 200 latest international bonds for which an adequate secondary market an adequate secondary market exists. The prices over the past week were supplied by: Kredietbank NV; Credit Commercial de France; Credit Lyomais; Commerzbank AG; Dentsche Bank AG; Westdeutsche Landesbank Girozentrale; Banque Generale du Luxembourg SA; Banque Internationale Luxembourg; Kredietbank Nederland NV; Plerson, Heldring and Pierson. Algemene Bank Nederland NV; Plerson, Heldring and Pierson; Credit Suisse/Swiss Credit Bank; Union Bank of Switzerland; Akroyd and Smithers; Bankers Trust International; Credit Com-mercial de France (Securities) mercial de France (Securities)
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Chicago; Goldman Sachs International Corporation; Hambros
Bank; IBJ International; Kidder
Peabody International; Manufacturers Hanover; Merrill Lynch;
Morgan Stanley International;
Nikto Securities Company
(Europe); Orion Royal Bank;
Salomon Brothers International; Salomon Brothers International; Salomon Brothers International; Samuel Montago and Co.; Scan-dinavian Bank; Societe Generale S.t.a.u.ss Turnbull; Sumitomo Finance International; S. G. Warburg and Co. Wood Ginds Warburg and Co.; Wood Gundy.

Closing prices on December 31

NEW ISSUE



These securities having been sold, this announcement appears as a matter of record only

Asian Development Bank

Kuwaiti Dinars 15,000,000

10 per cent. Bonds of 1981/1991

Kuwait Investment Company (S.A.K.)

Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.) Kuwait International Investment Co. s.a.k.

ISSUE BY TENDER OF £500,000,000

3 per cent Treasury Stock, 1987

MINIMUM TENDER PRICE £64.50 PER CENT

PAYABLE IN FULL WITH TENDER

INTEREST PAYABLE HALF-YEARLY, ON 14TH JANUARY AND 14TH JULY This Stock is an investment falling within Part II of the First Schedule to the Trustee Investments Act 1961. Application has been made to the Council of The Stock Exchange for the Stock to be admitted to the Official Lies.

THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND are authorises to receive turiders for the above Stock.

The principal of and interest on the Stock will be a charge on the National Loans Fund, with receives to the Consolidated Fund of the United Kingdom. The Stock will be repaid at par on 14th July 1987.

The Stock will be registered at the Bank of England of at the Bank of Ireland, Belfast, and will be transferable, in multiples of one new penny, by instrument in writing in accordance with the Stock Transfer Ant 1983. Transfers will be free. of examinative

Ally 1952 at the case of £1,563 per £100 of the Stock.

Tenders must be lodged at the Bank of England, New Issues. Watting Street, London: £CAM 9AA not later than 10.00 A.M. ON THURSDAY, 7TH JANUARY 1982, for at any of the Branches of the Bank of England or at the Glasgow Agency of the Bank of England not her disc 3.30 f.M. ON WEDNESDAY, 5TH JANUARY 1982. Each tender must befor one smount and one price. The minimum price below which tenders 1985 not be accepted, is £64.50 per cant. Tenders must be made at this minimum price of at higher prices which are multiples of £50. Tenders lodged without a price being stated will be deemed to lave been made at the minimum price.

Tenders must be for a minimum of £100 Stock and for multiples of Stock as

Har Majesty's Treasury reserve the right to reject any tender or to allot a less amount than that tendered for. If undersubscribed, the Stock will be allotted at the minimum price, the balance of Stock not tendered for being allotted at the minimum price to the Governor and Company-of the Sank of England, same Department. If oversubscribed all allottenents will be made at the lowest price at which any tender, is accepted (the allottenent price), and tenders which are accepted and which are made at prices above the allottenent price will be allotted in full.

source or sources as the Bank of England shall consider appropriate.

Letters, of allotment may be split into denominations of multiples of £100 on written request received by the Bank of England, New Issues, Watling Street, London, ECAM SAA, or by any of the Branches of the Bank of England, or any date not fater than 3rd February 1982. Such requests must be signed and must be eccompanied by the letters of allotment. Latters of allotment accompanied by a complaind registration form, may be lodged for registration for the little for the latter of allotment storm forthwith and in any case they must be lodged for registration not later than 5th February 1982.

Tender forms and copies of this prospectus may be obtained at the Bank of England. New laures, Watling Street, London, ECAM SAA, or at any of the Branches of the Bank of England, 6th Floor, 14 St. Vincent Place, Glasgow, G1 2EU; at the Bank of Ireland, Moyne Buildings, 1st Floor, 20 Callender Street, Belfant, BT1 5EN; at Mullans & Co., 15 Moorgata, London, EC2R 6AN; or at any office of The Stock Exchange in the United Kingdons.

BANK OF ENGLAND

LONDON "

THIS FORM MAY BE USED

TENDER FORM

This form must be lodged at the Bank of England, New Issues, Walling Street, London, EC4M 9AA- not later than 10,00 A.M., ON THURSDAY, 7TH JANUARY 1982, or at any of the Branches of the Bank of England or at the Glasgow Agency of the Bank of England (4th Floor, 14 St. Viricant Piece, Glasgow; G1 2EU) not leter than 3.30 P.M. ON WEDNESDAY, 5TH JANUARY 1982. Envelopes containing banders should be marked "Treasury Tender".

ISSUE BY TENDER OF £500,000,000

3 per cent Treasury Stock, 1987

MINIMUM TENDER PRICE £64.50 PER CENT

TO THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND

I/We tandar in accordance with the terms of the prospectus dated 30th cember 1981 as tollows:--

Amount of shows-mentioned Stock tendered fer being a mi

2100—21,000 £100 £1,000—23,000 £500 £2,000—210,000 £1,000 £10,000—250,000 £50,000 £50,000 or greater £25,000

Sum enclosed being the amount required for payment in full, i.e. the price tendered (minimum of £84.50) for every £100 of the nominal amount of Stock tendered for—

2. AMOUNT OF

The price tendered per £100 Stock, being a multiple of 25p and not less than the minimum tander price of £84,50;—

3 TENDER PRICE(b)

I/We request that any letter of allotment in respect of Stock allotted to /us be sent by post at my/our risk to me/us at the address shown below.

January 1982

of, or on behalf of, tenderer

PLEASE USE BLOCK LETTERS		SURNAME
MR/MRS FORENAME(S) IN FULL MISS		SUMME
FULL POSTAL ADDRESS:-		
POST-TOWN	COUNTY	POSTCODE
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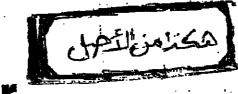
A separate chaque must accompany each tender. Chaques should be made payable to "Bank of England and crossed "Treasury Stock". Chaques must be drawn on a bank in, and he payable in, the United Kingdom, the Channel Islands or the hab of Man. rate of Man.

In the price tendered must be a tendered must be a tendered must be a tender to the minimum tender price. If no price, is extend, this tender will be deemed to have been made at the minimum tender price. Each tender must be for one smouth and at one price.

STAMP OF LODGING AGENT

ASSET SPECIAL SITUATIONS TRUST P.L.C.

Placing Smith Keen Cutler



10,000,000 Ordinary Shares of 10p each at 30p per Share payable in full upon acceptance

Share Capital

Authorised £1,250,000

in 12,500,000 Ordinary Shares of 10p each

Issued and to be issued fully paid

Warrants
The persons in whose names the 10,000,000 Ordinary Shares now to be issued are first registered will receive Warrants conferring, in respect of every 10 Ordinary Shares so registered, the right to subscribe for 1 Ordinary Share of the Company. This right may be exercised on the 30th August in any of the years 1963 to 1990 inclusive at 30p per Ordinary Share. The position of holders of Warrants in the event of a liquidation of the Company is act out in the Perticulars of the Warrants below.

Warrants in respect of a fraction of a Share will not be issued. Consequently a share holder's entitlement to Warrants on application for registration will be aggregated and any entitlement to a fraction of a Share will be disregarded, will be aggregated with other fractional antitlements and (if practical) sold for the banefit of the Company. No Warrants have been or ere proposed to be allotted to the Directors, except to the extent that they propose to take up Ordinary Shares at the placing price.

DAVID KENNETH ROWE-HAM, F.C.A. (Chairman)

JOHN MALCOLM WARDLE, LL.B. Rudand House, 148 Edmund Street, Birmingham B3 2JR JOHN MICHAEL GEOFFREY ANDREWS 1 Surrey Street, London WC2R 2PS CHARLES FREDERICK WARDLE The Lyons, Enville, Near Stourbridge, West Midlends

Secretary and Registered Office RICHARD ANTHONY GROSSMAN 52 Comhill, London ECSV 3NR

Auditors and Reporting Accountants TOUCHE ROSS & CO., Chartered Accountants Hill House, Little New Street, London EC44 3TR

SMITH KEEN CUTLER

EDGE & ELLISON, HATWELL PRITCHETT & CO.

BARCLAYS BANK LIMITED

Registrars and Transfer Office BARCLAYS BANK LIMITED, Registration Depart Radbroks Half, Knutsford, Chashira WA18 SEU

money will not itsell cause. The publicate of the company before deducting of More than 10 per cent. by value of the assets of the Company before deducting borrowed money ('the Company assets') to be lent to or invested in the secarities of any one company (other than those of a company which has been approved as an investment Trast by the inland Revenue or which would qualify for such approval but for the fact that it is not listed.

(I) More than 25 per cent. by value of the Company assets to be invested in securities in the apprepate of:

(a) accurrities not listed on any recognised Stock Exchange (for which purposes accurities; outside on any recognised Stock Exchange (for which purposes as listed sacurities).

(b) holdings to which the interest of the Company exceeds 20 per cent. of the equity share capital, including any capital having an element of equity, of any one listed company (other than a company which has been approved as an investment trast by the Inland Revenue or which would qualify for such approval but for the fact that it is not yet listed.

(III) in the event of the Company forming or acquiring any subsidiary or subsidiaries (which is not at present contemplated) the restrictions set out in (ii) above shall apply to loans to or investments in such subsidiary or subcidiaries.

The Company's Income will ultimately be derived wholly or mainly from income from shares and securities and it will retain not more than 15 per cent. of its income derived from that source so as to entire that the Company qualifies for investment Trust status for tax purposes, in view of the Investment policy outlined above to conceptrate on recovery situations and companies in the early stages of their growth, this return on cerbin of the Company's investments may be small and capital growth will be the main investment objective. The Company is prohibited by its Memorandum of Association from making any distributions by way of dividend of surpluses arising on the realisation of investments.

Limited.

J. M. Wardle (S3) is the senior partner of Edge & Elisan, Natwell Pritchett

& Co. He is a non-executive Director of nine listed companies of five of which he
is Chairman. He is an advisory Local Director of Barclays Merchant Bank Limited.

J. M. G. Andrews (S5) is a non-executive Director of Barclays Merchant Bank Limited.

J. M. G. Andrews (S5) is a non-executive Director of Barclays Merchant Bank Limited.

PL.C. Royal Worcester Limited and other companies and was previously a Director

Of HN Samuel, Samuel Montagu and other companies and was previously a Director

Of HN Samuel, Samuel Montagu and other companies and was previously a Director

Of HN Samuel, Samuel Montagu and other companies and was previously a Director

F. Wardle 422 (no relation of J. M. Wardle) joined the Soard of Genjamin

1972. He was appointed Managing Director in 1974 and Chairman in January 1977.

Prior to these accompliances he was involved in corporate management and merchant

banking in New York and London. He is a member of the council of the C.B.L.

MANAGEMENT

The Company will be managed by its Directors in accordance with the policy outsided above. The investments of the Company will be selected and managed under the overall supervision of the Directors who have a balanced and wide experience of investment and finance and commerce and industry.

No management contract exists or is intended to be entered into. At the present time the Company has no employees, but as the Company develops it is likely that a Financial Controller or Financial Director may be recruited.

Although Smith Keen Circler are Brokers to the Company the Directors propose to make the services of other Brokers when appropriate and thus make the widest set of their connections in London and in the Midlands.

DURATION OF THE COMPANY

DURATION OF THE COMPANY

Under the Articles of Association the Directors are required to convene an Extraordinary General Meeting of the Company to be held at any time on or after 1st December 1991 and before 31st December 1991 and to procure that a Resolution is proposed thereat requiring the Company to be wound up voluntarily.

Of the Officers are also required to convene as Extraordinary General Meeting of the Company other within these months after each Annual General Meeting of the Company other within the first annual General Meeting for the purpose of considering the cassing of a Resolution is passed releasing the Directors from such obligation:

Every shareholder present in person, or by proop at any such experienced meeting shall be obliged to wote is favour of any such winding-up Resolution. BANK FACILITIES

It is not envisaged that in the present era or bight interest rates any meterial me of Sank facilities will be necessary or appropriate, at the Directors are satisfied that after the laste has taken place the Company will have sufficient working capital for its present requirements. However, circumstances may change and the Company has available to it on normal banking terms facilities from its bankers on overdraft and/or loan of \$1,500,000.

Investment in recovery situations and in young companies usually requires a longer term view and may well involve a greater degree of risk than investment in well established companies and accordingly potential investors should be aware of an element of risk associated with the Company's investment policy. It is considered that the proposed wride spread of investments about reduce the degree of risk sometimes associated with investments in small to medium size fisted companies and in unlisted against the proposed wride spread of investments in small to medium size fisted companies and in unlisted against the state of the companies and in unlisted against the state of the companies and in unlisted against the state of the companies and in unlisted against the companies and in unlisted against the companies and the companies and the unlisted against the companies and the companies are considered that the companies are companies as a companies are companies and companies are companies as a companies and companies are companies as a companies are companies and companies are companies and companies and companies are companies and companies and companies are companies and companies are companies and companies and companies are companies and companies and companies are companies are companies are companies and companies are companies are companies are companies and companies are compani

TAXATION

The Directors consider that the Company is unlikely to be a close Company impediately following completion of the placing.

The Directors Intend to conduct the affairs of the Company in such a way that the Company satisfies the Conditions for approval as an investment. Trust hald down in Section 359 of the Income and Corporation Taxes Act 1970 (as amended) and intend to apply to the Inland serious such approval is granted the Company will, as a result evenue for such approval. If such approval is granted the Company will, as a result of the provisions of the Floaton Act 1980, be exempt from corporation tax on its chargeable gains.

Any prospective shareholder who is uncertain about the significance for tax purposes of an approved investment Trust should consult his own tax advises.

The Directors have been advised that, on the basis of current legislation, the Capital Gains. Tax position in reliation to the Warrants is as follows:

(a) The cost of subscribing Ordinary Shares (with Warrants attached) will be apportioned between Ordinary Shares, and the Warrants.

(b) The Warrants will not constitute "Washing assets" for the purposes of the Capital Gains Tax Act. 1979 and on the disposal of Warrants (which lackedes shandonment) the full cost of the Warrants will be allowable in computing any gain or loss; and

or less and
A holder who exercises the subscription rights conferred by the Warrants will
not thereby be treated as disposing of the Warrants but the cost thereof will
be added to the amount paid on exercise of the rights in computing the cost
for the purposes of Capital Gaing Text on the disposal of the Ordinary Shares
acquired under such exercise.

The first accounting period of the Company will be from the date of incorporation to 51st March 1965 inclusive. Theresiter Annual Accounts will be made up to the 51st March in each year.

The following is the text of a report received by the Directors from Touche Ross & Co., Chartered Accountants, the auditors and reporting accountants of the Company.

The Directors.
Asset Special Situations Trust P.L.C.,
52 Cornhill.
London ECSV SNR.
Gettlemen.

Gentlemen.
We report that Asset Special Situations Trust P.L.C. was incorporated on 18th
We report that Asset Special Situations Trust P.L.C. was incorporated on 18th
We report that Asset Special Situations Since that date no accounts have
December 1981 and has not commenced business. Since that date no accounts have
been made up and no dividends have been declared or pald.
Your stithfully.
TOUCHE ROSS & CO.
Chartered Accountants

PARTICULARS OF THE WARRANTS TO SUBSCRIBE ORDINARY

Adjustment of Subscription Rights

such date, the number and/or nominal value of Ordinary Shares to be subscribed on any subsequent exercise of the subscription rights will be increased or, as the case may be, reduced in due proportion and the subscription price will be adjusted accordingly. On any such capitalisation, sub-division or consolidation the auditors for the time being of the Company shall certify the appropriate adjustments and, within 28 days thereot, potoce will be sent to each holder of a Warrant, topether with a Warrant in respect of any additional shares for which that holder is entitied to subscribe in consequence of such adjustments, fractional entitiements being ignored. In consequence of such adjustments, fractional entitlements being ignored or before the final subscription date, the Company makes any offer or invitation (whether by rights issue or otherwise) to the holders of the Ordinary Shares, or any offer or invitation (not being an offer to which paragraph 3() below applies) is made to such holders otherwise than by the Company, then the Company shall, so far as it is able, procure that at the same time the same offer or invitation is made to the thon holders of the Warrants as if their subscription rights had been exercisable and had been exercised on the day immediately preceding the record date of such offer or invitation on the terms (sobject to any adjustment pursuant to sub-paragraph 2(a) above) on which the same could have been exercised on the last preceding subscription date.

Other Provisions
 Ion as any subscription rights remain exercisable:—
 The Company shall not (I) make any distribution of capital profits or capital reserves except by means of a capitalisation issue in the right paid Ordinary Shares issued to the helders of its Ordinary Shares except fully paid Ordinary Shares issued to the helders of its Ordinary Shares or (II) on or by reference to a record date falling within the period of six weeks ending on any subscription date make any such offer or invitation as is referred to in paragraph 20b above (except by extending to holders of the Warrants any such offer as may be made by a third partyl.
 The Company shall not in any way modify the rights attached to its existing Ordinary Shares as a class, or create or have any new class of equity share capital. except for shares which carry as compared with the existing Ordinary Shares no greater rights as researds voting, dividend or capital.

The Company shall keep available for issue sufficient authorised but unissued share capital to satisfy in full all subscription rights remaining exercisable.

The Company shall keep available for issue sufficient authorised but unissued share capital to satisfy in full all subscription rights remaining exercisable.

If at any time an offer is made to all ordinary shareholders of the Company (or all such shareholders other than the offeror and/or any company comtrolled by the offeror and/or persons acting in concert with the offeror and company and the whole or by part of the issued ordinary share of the insent of the company shall give notice to the company and the company and the company and the company of the company and the offeror and/or such persons or companies as aforesald, the Company shall give notice to the holders of the Warrants of such vesting within 14 days of its becoming so ever, and each such holder shall be entitled, at any time within the period of 30 days immediately following the date of such notice, to exercise his subscription rights on the terms (subject to any adjustment pursuant to paragraph 2(a) above) on which the same could have been exercised on the last preceding subscription of the bolders of the Warrants's such holder of stributions might the molders of the product of the company (except for the purpose of reconstruction, amalgamation or unitisation on a terms sanctioned by an extraordinary resolution of the bolders of the Warrants's such holder of extraordinary resolution of the bolders of the Warrants's such holders of the company. Shares of the Ordinary Shares are such equal to the subscription price be treated as if medical products are such as a sum and the company. The Company shall not grant (or agree to grant) any option in respect of or create any rights of subscription of the Ord

4. Modification of Rights

All or any of the rights for the time being attached to the Warrants may from time to time (whether or not the Company is being wound up) be altered or abrogated with the sanction of an extraordinary resolution of the holders of the Warrants. All the provisions of the Articles of Association for the time being of the Company as to general meetings shall mutatis mutands apply as though the Warrants were a class of shares forming part of the capital of the Company but so Warrants were a class of shares forming part of the capital of the Company but so warrants were a class of shares forming part of the capital of the Company but so warrants are not the capital of the Company but so warrant of the necessary quorum shall be the holders (present in person or by proxy) shall be entitled on a warrant present in person or by proxy shall be entitled on a poil to one vote for every Ordinary Share for which be is entitled to subsorbe (O any holder of a Warrant present in person or by proxy shall be entitled on a poil to one vote to every Ordinary Share for which be is entitled to subsorbe (O any holder of a Warrant present in person or by proxy may demand or join in demanding a poil and (6) if at any adjourned meeting a quorum as above defined is not present, those holders of Warrants who are then present in person or by proxy shall be a quorum.

Each Warrant will be registered and will be transferable in whole or in part instrument of transfer in any usual or common form, or in any other form which v be approved by the Directors of the Company. No transfer of a right to subscribe a fraction of an Ordinary Share of the Company may be effected.

6. General
The Company will concurrently with the Issue of the same to its ordinary shareholders send to each registered holder of a Warrant (or in the case of loint holders to the first-name() a copy of each published annual report and accounts of the Company, together with all documents required by law to be annexed thereto, and copies of every statement, notice or circular issued to ordinary shareholders. For the purposes of these particulars, extraordinary resolution means a resolution proposed at a meeting of the holders of the Warrants duly convened and passed by a majority consisting of not less than three-fourths of the votes (ast, whether on a show of hands or on a poil.

STATUTORY AND GENERAL INFORMATION 1. The Company and its Share Capital

The Company was incorporated in England and Walge as a public finited company in the Companies Acts 1948 to 1980 on 18th December 1981 Registered Number Inc Company was made in 1948 to 1980 on 18th December 1981 Registered Number 1605118.

Two shares in the Company have been subscribed for cash at per and are at present beneficially owned by two of the Directors. These shares are inclined in the shares below made available under the Placing arrangements pentioned below cathough it is likely that they will be retained by the Directors in whose name they are now registered as part of such Placing arrangements). On 31st December 1981 the Company adopted saw Articles of Association.

The empluments of any Managing Director or Executive services as such shall be determined by the Board.

The Board may exercise all the powers of the Company to borrow money. The aggregate amount at any one time owing by the Company and all its substituties in respect of moneys borrowed (as defined in the Articles) shall not, without the previous sanction of the Company in General Meeting, exceed a sum equal to one and a half times the amounts standing to the credit of the consolidated capital and revenue reserves (as defined in the Articles) or, until the first accounts of the Company are made up and audited, the sum of \$1,500,000.

(Ov) The Directors may pay pensions, or other retirement, superannuation, death or disability benefits, to any persons, including executive Directors, who are or were at any time in the employment of the Company and to the wives, families or dependants of any such persons.

(4) Dated 30th December 1981 being a letter from Serclays Sank Limited to the Directors of the Company setting out the overdraft and/or loan facilities available to the Company if required.

(b) Dated 31st December 1981 being the Placing Agraement between the Company and Smith Keen-Cutter referred to above. 5. Interests of Directors and Others

(a) immediately after the placing by Smith Keen Cutier of 10,000,000 Ordinary Shares of 10p each ('the placing') the interests, all of which are beneficial of the Directors and their families in the share capital of the Company as laid down in the Register maintained pursuant to the Companies Act 1957 would be as follows:— Name of Director of 10p each
D. K. Rowe-Ham of 10p each
J. M. Wardle 50,000
J. M. G. Andrews 15,000
C. F. Wardle 15,000
Dimmediately after the placing -k is anticipated that under-mentioner Company:— fave-significant holdings of the issued Ordinary share capital of the

(d) The Company has not yet commended business and has no subsidiaries.

(e) The Company has not engaged in any litigation and the Directors are not aware of any litigation or claim or material importance pending or threatened by or abainst the Company.

(D) The minimum amount which in the opinion of the Directors must be relised by the issue in order to provide for the matters referred to in Paragraph 4 of the Fourth Schedule to the Companies Act 1948 is £3,000,000 made up as follows:—

follows:

O Price of property
(II) Repayment of money borrowed
(III) Repayment of money borrowed
(III) Working capital available for investment, which as mentioned show will amount to approximately £2,905,000, will be invested initially in glit edged stock and short term deposits available investment in appropriate companies in accordance with the investment policy of the Company.

(h) For the purposes of the Companies Act 1948 the subscription list for the new Ordinary Shares included in the electric will be of the Companies o

7. Consents and Documents

Touche Ross & Co. have given and have not withdrawn their written consent to the issue of this document with the inclusion therein of their Report set out above in the form and context in which it is included.

There were attached to the copy of the Prospectus delivered to the Registrat of Companies for registration copies of the Registration copies of the material contracts referred to above.

Copies of the material contracts referred to above.

Copies of the following documents will be available for inspection at the offices of Smith Keen Cutter. 52 Cornikii, London ECSV SNR and at the offices of Edge & Ellison, Hatweil Pritchett & Co., Rutland House, 148 Edmund Street, Birmingham 83 ZIR during usual betiness hours on any weekfay (Saturdays and public holidays excepted) for a period of tourteen days from the date of publication of this document.

(a) The Memorandom and Articles of Association of the Company.

(b) The Report of Touche Ross & Co. and their written consent referred to above.

NOTES:—Prices on this page ere as quoted on the individual azzhanges and are last traded prices: § Dealings suspended, ad Ex dividend, at Ex scrip issue, at Ex rights, as Ex all.

WORID STOCK MARKETS

20		WORLD STOC	K MARKE	TS	HONG KONG
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457a 241 Cincinnati Mil 25\ 2934 211g Citicorp	4319 4139 Geosource	5012 2914 McGraw Edison 36 3945 2876 Ryder System 2915 556 5956 McCeanTrukg 7 59 2212 SPSTechnol gies 2273 3256 1214 Mead 25 5914 2946 Media Geni 3914 394 Media Geni 3914 4156 3054 Medironic 384 3714 2451 Safeway Stores 2619 3954 3076 Medironic 3654 3714 2451 Safeway Stores 2619 3754 4718 352 Memorex 3754 4256 2912 St. Regis Paper 3114 312 Memorex 3754 356 3754 3576	50:3 285s Whittaker	77.9 54.8 Hapag Lloyd 59 132 111.5 Hoechst 120.5 27.8 17.0 Hoecch 19.1 450 268.5 Holzmann Pl. 386 150.0 114.5 Horton 114.5 280.5 169 Kali und Salz 174 237 177.5 Karstadt 186 184.5 145 Kaufhof 146 220 165 KHD 168.5 62 41.6 Kloechner 49.5 76.0 45 Krupp 45 358 297.0 Linde 320	5.76 4.24 ANZ Group
Inc	dices	<u> </u>	AUSTRIA	234.5 163,5 MAN 188 166 122.4 Mannesmann 151 328.5 230.0 Mercedes Hig 248 337.8 251 Metaligesell 273	4.00 2.35 Boral 3.30 12.1 6.35.Rambrandt 11.4 2.05 1.05 Bl'ville Copper 1.22 5.15 3.00 Ramnies 5.15 3.25 2.30 Brambies Inds 2.60 7.00 4.9 Rust Plat 5.25 8*08 3.95 Bridge Cil 4.50 3.05 2.00 Sage Hidgs 3.05
NEW YORK —Dow Dec. Dec. Dec. 29 28	JONES Dec. Dec. High Low High: Low 8 878,38 869,57 1024,05 824,01 1051,70 41,22 (27,4) (25,6) (111/178) (27/32) 57,22 57,57 85,78 54,99 (111/178) (27/32)	Dag. Oec. Dec. Dec. 1961 31 30 29 28 High Low AUSTRALIA AI Ord. (1/1/80) 424.1 427.5 426.5 (c) 787.5 (6/4, 545.8 (29/11) AUSTRIA	1981 Dec. 30 Price High Low 221 238 178 Laenderbank Pid 213 276 243 Perimooser 258 110 95 Somperit 105 251 173 Stayr Daimler 174 267 200 Veitacher Mag. 206	700 610.0 Muench Ruck 680 224 135.0 Preussag 192.5 181 162.8 Rhein West Elect 168 386 287.0 Rosenthal 290 311 219.5 Schering 280 269.0 192.8 Siamens 204 77.0 57.7 Thyssen 69 210 161.5 Varta 175 145.2 120.2 Veba 125.5 286.0 258 Vereit-West 272 180.0 119.5 Volkswagen 133	7.00 0.10 Brunswick OH 0.15 3.55; 2.50;Unisec 3.40 2.75 CRA 4.00 2.75 CRA 4.00 2.55 2.50;Unisec 3.40 2.75 Carlton & Utd 2.55 2.50; Unisec 2.75 Castlemains Tys. 3.80 (Discount of 22%) 0.73 0.35 Cluff Oil (Aust) 0.68 0.52 0.23 Do. Opts 0.45 BRAZIL
	(16/4) (25/8) (16/4/81) (8/7/82) 11 108,88 189,58 17,61 101,29 165,32 10,5 (5/1) (28/9) (28/4/89) (28/4/42	Gredit Aktien (2.1/62) 57.14 57.13 55.77 66.53 66.48 (6/1: 52.64 (13/18)	BELGIUM/LUXEMBOURG 1981 Dec. 30 Price High Low Fla.	FRANCE 1981 Dac. 31 Price	
•Day's high 880.33. low 868.91. Ind. div. yield 5	5 Dec. 18 Dec. 11 Year ago (approx 6.34 ! 6.26 . 5.65	CAC General (22/12/51)	1,348	High Low Frs. 3,925 1,940.Emprunt 4/3, 1975 1,973 10,950 5,700.Emprunt 7/5, 1975, 6,830 3,289 2,565 CNE 3/5, 2,860 212,5 93,3-Acquitaine 151 126 83,8-Au Printemps 118,4	2.50 1.06 1.06 1.92 9.95 2.05 3.022 3.50 1.05 1
<i>i</i> , , ,	24 25 High Low High Low 74 167.89 139.88 157.02 128.49 160.96 5,52 (5/1) (24/9) 728/11/86/30/6/32 27 122.54 122.51 188.12 118.01 146,52 4.402	FAZ-Aktien (31 12/56) - 221.08 229.55 221.22 243.47 (3/7) 215.88 (9/2) Commerzbank/Dec1855) - 575.2 574.5 675.9 749.0 (5:7) 668.4 (18:2) HOLLAND ANP-CBS General (1976) - 84.6 94.7 84.5 96.8 (20/6) 78.5 (28/9) ANP-CBS Indust (1976) - 83.1 63.7 85.0 76.4 (22/6) 81.4 (22/12)	2,500 1,350 Fabrique Nat. 2,000 2,310 1,550 G.B. Inno 2,160 1,210 900 GBL :Brux L). 1,200 1,530 1,182 Gevaert 1,515 2,630 2,050 Hoboken. 2,545 1,380 914 Intercom 1,372 5,090 3,315 Kredietbank. 4,470	588 366 BIC 395 215.1 85.6 Banq'Rothschild 210 1,000 537.0 Bouygues. 942 1,250 868 BSN Gervais. 1,193 1,898 1,502 Carrefour. 1,575 535 366.0 Cub Mediter 487 633 340 CFAO. 559	8.70 2.99 MM 5.14 8.70 4.80 Mesketharra Me 8.46 0.55 0.50 Meridian Oil 0.35 0.56 0.12 Monarch Pet 0.14 2.25 1.54 MyerEmp 1.50 3.62 2.62 Nat.Bank 2.87 4.00 2.33 News 2.50 FOR THREE months from
	. (6/1) (24/9) (28/11/82 (1/6/52) Dec. 23 Dec. 16 Year ago (approx 5.38. 5.33 4.36) 8.24 8.24 9.57	Hang Seng Bank(51/7/64\1405,82 1415,31'14)2,78 1496,11 18)0,20 (17/7) 1115,77 (5,10) TTALY Banca Comm Hz (1972) : 194,81; 190,45 195,16' 192,54' 292,65 (3/8) 155,44 (24/7)	5,500 4,005 Pan Hidgs	435 252 CGE	1.75 1.28 Nicholas Int. 1.30 January 1, people will be 2016 4.15 2.37 North Bid Hill. 2.55 1.70 0.50 Oktoridge 2.05 1.70 0.50 Otter Expl. 1.15 1.90 2.05 Pancon 2.55 cash service at post offices with- 0.41 0.14 Pan Pacific 0.25 0.41 0.14 Pan Pacific 0.25 0.45 0.170 People will be 2016 1.70 people
Long Gov, Bond yield 13,71 NY, S.E. ALL COMMON 1981	13.60 13.04 11.75 Rises and Falls (Dec. 31 Dec. 30 Dec. 20 Issues Traded., 1,999 1,993 1,973	Dow Average (16;5,48) — (c) (c) 7881,84 S018,14 (17/8) 6958,52 (15/5) Tokyo New SE (4/1/8) — (c) (c) 570,31 603,92 (17/8) 485,75 (5/1) NORWAY — 125,81 129,83 127,42 145,72 (6/8) 110,54 (3/6) SINGAPORE	2,395 1,060 rraction Elect. 2,220 1,525 950 UCB 1,525 764 484 Union Miniere 562 1,554 980 Vieille Mont 1,302	93 51.4 Crousot Loire 50.2 243.2 90.5 CFP 115.5 40.1 27.4 DNEL 57 1,336 760 Dumez 1272 518 401 Gen. Occidental 408	1.95 1.04 Sands 0.00 director of marketing and 0.80 0.36 Southland M'n'g 0.50 customer services, explains: 0.80 0.28 Spargos Expl. 0.37 "Our aim is to make more 2.70 2.22 Tros Natwick 2.52
Dec., Dec. Dec., Dec. 31 30 29 28 High Lo 71.1170.9070.5870.94 79.14 64.	W Rises 938 812 543 Falla 605 668 980 96 Unchanged 455 513 450 (5) New Highs 11 9 12 New Lows 27 55 26	Straits Times (1986) 780.78. 778.80 772.78 775.92 975.28 (28/8) \$15.29 (1/8) SOUTH AFRICA Gold (1856) — 586.8 570.5 580.3 787.5 (7/1) 475.8 (3/7) Industrial (1856) — 701.2 702.2 705.2 705.2 708.4 (21/10) 567.2 (5/2)	DENMARK 1981 Dec. 30 Price High Low	304 246 Latarge 286 825 590,01, Oreal 741 1,685 1,165 Legrand 1,380 60.3; 25,4 Machines Buil 25,9 2,400 632 Matru 1,215 887 608 Michelin B 520 646 377,8 Moet-Hennessy 653	4.10 2.00 Footh 2.05 Convenience of paying their 0.88 0.18 Valiant Const. 0.18 household bills through Giroband 3.65 Vaccount Mining 4.12 bank at post offices. "This offer will also, I hope.
51 50 Industrials 332.59 332.57 Combined 516.18 516.27	1961 Dec. Dec. 28 High Low 551,53 (c) 499,56 (27.5) 518,21 (25.6) 515,27 (25.6)	SPAIN Madrid SE :30:12:80) 124,00 [24,08 125,5] (c) 148,15 (8/8) 709,46 (2,1) SWEDEN Jacobson & P. (1/1.58) 612,94 609,52 610,08 660,81 (10/8) 404,17 (29/1) Switzerland	133.0 115.2 Andelsbanken 129 388 321.6 Battica Skand 357 137 118.0 CopHandelsbank 137 420 328.6 D. Sukkertab 356 137 118.4 Danske Bank 137 175.4 110.2 Eart Asia-129	268 165 Parlbas	SINGAPORE advantages of having a personal account and of making their local post offices their bank
	Stocks Closing on	Swiss Bank Cpn./51/12:58 258.50 259.8 258.0 259.4 504.2 (2/4) 242.9 (17/11) WORLD Capital Intl. (1/1.79) - 148.0 182.8 (9.3) 185.8 (28.9)	538 406 Forenede Brygg, 515 399.4 240.0 Forenede Damp, 386 270 185 GNT Hidg	178 112 Payrer 149, 169, 178 112 Payrer 149, 169, 178, 179, 179, 179, 179, 179, 179, 179, 179	5 Subject to review, the 30p fee

389,4 240,0 Forenede Damp, 386
270 185 GNT Hidg. 252
387.5 164.4 Jyske Bonk. 185
180,0 137.4 Nord Kabel. 154.6
1,525 680,0 Nord Ind. 1,470
105,0 90 Papirfabrikker. 91
137.4 120.4 Privatbanken. 137,4
137.0 118 Provinsbanken 130
312,0 229,2 Smidth (Fh. 251,2
659,6 391 8 Berendsen. 255

125.9 45.5 Rhone-Poulanc 119 243 151.1 Roussel-Uclaf 220 148.7 90.1 St. Gobaln 145.1 640.0 585 Skis Rossignol 478 392.0 212 Suez 321 1,228 844 Telemech Elect 878 250 148 778

BASE LENDING RATES

Allied Irish Bank American Express Bk: Amro Bank Henry Ausbacher Arbithnot Latham Associates Cap Corp.
Banco de Bilbao Bank Hapoalim BM

Bank of Cypris 14 Bank Street Sec Tabl 16 Bank of N.S.W 141

Banque Belge 36 141% Banque du Rhone et de la Tamise SA 15 % Barclays Bank Beneficial Trust Ltd. ... 151% Bremar Heldings Ltd. 1510 Bristol & West Invest 16 0 Brit Bank of Mid. East 1415

Brown Shipley 15 %
Canada Perm't Trust 15 %
Cavendish G'ty Tst Ltd 151%
Cayzer Ltd 15 % ... 15. % Charteshouse Japhet... 15

Ciribanit Savings 115 9 Clydesdale Bank 1419 C. E. Coates C. E. Coates 15 % Consolidated Gredits 141% Co-operative Bank 141% Corinthian Secs. 141% The Cyprus Popular Bk. 141% Duncan Lawrie 141% Eagil Trust 141% ET Trust 15 % First Nat. Fin. Corp. 17 % First Nat. Secs. Ltd. 17 % 1 Eagil Trust

Robert Fraser Grindlays Bank Guinness Mahon Hambros Bank 141% Heritable & Gen. Trust 141% C. Hoare & Co.

Hongkong & Shanghai 14 Knowsley & Co. Ltd. 15 Lloyds Bank 144% Mallinhall Limited 144% Edward Manson & Co. 154% Samuel Montagu Morgan Grenfell National Westminster 14 Norwich General Trust 1419 P. S. Refson & Co. ...

Roxburghe Guarantee . E.-S. Schwah 14 Slavenburg's Bank 14 Standard Chartered 114 Trade Dev. Bank . Trustee Savings Bank TCB Ltd. 14 % United Bank of Kuwait 14 % Whiteeway Laddaw 15 % Williams & Givn's ... 1419 Wintrust Sees Itil ... 1419

Committee. 7-day deposits \$2.50%, 1-most

U.S. \$50,000,000

Société Financière pour les Télécommunications et l'Electronique S.A. Guaranteed Floating Rate Notes Due 1990



Società Finanziaria Telefonica per Azioni

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the six months 4th January 1982 to 6th July 1982. has been fixed at 15% per cent per annum and that the coupon amount payable on coupon no. 4 will be U.S. \$772-03.



The Sumitomo Bank, Limited

Application has been made to the Council of The Stock Exchange for the grant of permission to deal in the issued Ordinary Shares of the Company in the Unlisted Securities Market, It is emphasised that no application has been made for the Ordinary Shares of the Company to be admitted to Listing.

A Placing of 6,000,000 Ordinary Shares of 10p each in the
Company will be arranged by Messrs. Le Mare, Martin & Co.,
contemporaneously with the Company's application. Shares have been offered to and are available through the Market

OWNERS ABROAD GROUP pic

(Registered in England - No. 48967)

SHARECAPITAL ORDINARY SHARES OF 10 PEACH

£6,000,000

£5,148,000

Particulars giving information with regard to the Company are available in the Extel Unlisted Securities Market Service and copies of such particulars may be obtained during usual business hours on any weekday (except Saturdays) up to and including 21st January, 1982 from:

Le Mare, Martin & Co., Regina House

Nabarro Nathanson, 76 Jermyn Street, London SWIY 6NR.



Major The Earl of Ancester, KCVO, TD.

Donations and info

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Malaya, Adien, Cyprus . . . and
from Ulsins.;
Now, disabled, we must look to
you for help. Please help by
helping our Association. BLESMA
looks after the limbless from all
the Services. It helps to overcome
the shock of insing arms, or legs
or an eye. And, for the severely
handicapped, a provides
Residential Homes where they
can live in peace and dignity. can live in peace and dignity. Help the disabled by helping BLESMA. We promise you that not one penny of your donation

BRITISH LIMBLESS

EX-SERVICE MEN'S ASSOCIATION Disabled People

The Association of International Bond Dealers Quotations and Yields appears monthly in the Financial Times. It will be published on the following dates:

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Tuesday 13th July Wednesday 18th August Tuesday 14th September Wednesday 13th October Thursday 11th November Tuesday 14th December

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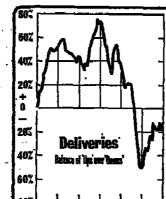
FT Monthly Survey of Business Opinion

GENERAL OUTLOOK Confidence dips again

BUSINESS OPTIMISM about prospects for 1982 dipped last month, mainly reflecting gloom about the inflation and general there was slightly more confidence about prospects for the

Of the three industry groups interviewed in the latest sur- engineering (non-electrical), brewers and distillers and paper and allied industries only the brewers were more opti-

The index of general optimism about the situation declined slightly



1976 1977 1976 1979 1980 1981

from the November level and is still a long way below the midyear peak. Some engineering companies

detected an improvement in orders, parly because of the fall in the pound.

signs of hope, one complained of falling beer consumption as a result of declining real in-Several respondents in the

paper and connected group also Others complained about factory closures, lower retail sales and customers' reluctance to

Statistical Material Copyright Taylor Nelson Group Ltd.

GENERAL BUSINESS SITUATION	4	monthly	moving '	total	De Eng.	cember i	1981 Paner
Are you more or less optimistic about your company's prospects than you were four months ago?	Sept- Dec. %	Aug- Nov. %	Prily-	June- Sept.	{non-		Packaging Publishing %
More optimistic	30	28	21	26	9	55	53

Although most brewers saw EXPART PROSPECTS (Weighted by exmorts)

Neutra

EAFUNI FRUSTEUIS (WCISHO					De Eng.	cember	1981 Paper	
Over the next 12 months exports will be:	Sept Dec. %	Ang- Nov. %	July- Oct. %	june- Sept. %	(non-	Brews. Distills	Packaging Publishing	
Higher	63	ପ	66	59_	70	57	34	
Same	24	23	27	25	7	19	43	
Lower	12	13	. 11	15	22	24	23	
No answer	2	2	2	1	0	0	8.	

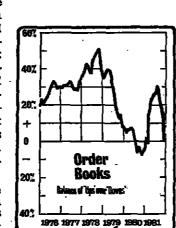
ORDERS AND OUTPUT

Demand still sluggish

month there has been a fall in the number of new orders and there is virtually no improvement in the order book situation. Some new engineering products received good orders both at home and overseas and there are reports of increasing interest from export markets, although little of it is turning into confirmed orders. Demand from the aircraft industry is poor.

In brewing and distilling the order books reflect the drop in consumer demand which is blamed on the shortage of disposable income. In the paper sector hopes were pinned on increasing television advertising

The tendency towards destock-



Channel Four sales when begins.

Only three companies expect turnover to increase by 5 per cent or more in the next year compared with ten who thought it would four months ago. All three sectors are now expecting smaller turnover gains next year and the index for the median has fallen yet again, indicating the persistent gloom on this front.

In brewing and distilling hopes are geared to the summer but the feeling that any major improvement will come from overseas sales seems likely to grow next year. Some companies said the index would have been in an even worse state if their forecasts had not excluded factory closures.

STOCKS

next 12 months will:

Raw materials and components over the

NEW ORDERS			_						
NEW CHPERO	4	4 monthly moving total				December 1981 Eng. Paper			
The trend of new orders in the last four months was:	Sept- Dec. %	Aug Nov. %	July- Oct. %	June- Sept.	(non-	Brews. Distills. %	Packaging Publishing		
Up	16	15	24	22	7	36	<u> </u>		
Same	38	41	41	34	23	27	44		
Down	27	24	23	28	70	36	5		

PRODUCTION/SALES TURNOVER 4 monthly moving total Those expecting production/sales turn-over in the next 12 months: Rise over 20% Rise 15-199 20 Rise 10-14% 20 22 Rise 5-9% 25 20 Rise 2.5-4% 22 72 82 43 Remain the same 31 28 Fall 2.5-4% Fall 5-9% Fall 10-14% Fall 15% or more

4 monthly

25

59

51

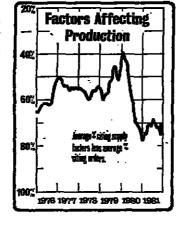
CAPACITY AND STOCKS

Inventories too high

ing continues and there has been very little change since last month in work in progress. Expectations for changes in the different type of stocks over the next 12 months were mainly unchanged but the engineering sector alone was more inclined to say it expected stocks of manufactured goods to fall. One engineering firm had acquired two freight aircraft for subsequent resale and hoped they would have been dispos of before the end of the 12nonth period. The brewing and distilling group throught its level of stocks of all types was probably too high in relation to current sales trends. survey offers no indication yet of intentions in any sectors to **CAPACITY WORKING**

Are you working at your planned output

level for this time of year?



Engineering and brewing and distilling were less inclined than four months ago to say they were working at below planned output levels although paper is yet more depressed. But all sectors had more idle assets. In engineering these included two factories closed because production was transferred to another plant, underused plant because of lack of orders, factories for sale, idle plant in UK and Europe and plant left unmanned through redundancy policies A distilling firm is no woperat-

at 25 per cent capacity with two units closed for 11 months a year. Paper and packaging production lines are out of use and some machinery is idle although not yet 'mothballed."

78

22

53

55

45

No answer	3	3	4	3	0	0
Manufactured goods over the next 12 months will:					1 3 26 0 70	
Increase	14	17	26	28	1	18
Remain the same	50	50	41	41	3	45
Decrease	21	19	16	14	26	36
No answer	.4	7	5	3	0	a
Not applicable	10	8	12	14	70	0
		_				

FACTORS CURRENTLY AFFECTING PRODUCTION

Increas

LAGIORS CRUTERITI WLIEAL	inu rnu	POUL	.va					
	4	monthly	moving t	total	December 1981			
		-		_	Eng.		Paper	
Are any of the following factors limiting your output at present?	Sept Dec. %	Aug Nov.	July- Oct. %	June- Sept. %	(non- elect.) %	Brews. Distills. %	Packaging Publishing %	
Home orders	92	94	91	90	78	100	98	
Export orders	55	63	62	63	.77	36	48	
Executive staff	1	2	1	2	0	0	0	
Skilled factory staff	.4.	3	. 3	3	23	0	0	
Manual fabour	0	0	0	Ť	0	O'	0	
Components	. 1	1	1	. 0	0	0	0	
Raw materials	1	1	3	3	7	· D	Ð	
Production capacity (plant)	3	3	- 4	4	0	9	0	
Finance	0	• 1	1	1	0	· 0	0	
Labour disputes	2	1	3	3	0	0	20	
Others	20	14	16	16	0	55	15	

INVESTMENT AND LABOUR

Above target capacity

Below target capacity

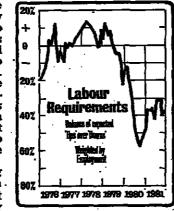
On target

Job cutbacks expected

There is little overall change in the job situation with nearly half the firms expecting to decrease their labour forces during the next 12 months and only 8 per cent expecting to increase their number of jobs. Engineering and paper are more inclined to report a pre-dominance of demand effects on the employment situation brewing and distilling tended to take the opposite view and quote

supply effects.

Both paper and engineering said employment legislation tended to induce caution about



said it always examined pension fund commitments carefully when considering the acquisition of another company. Although there is no sign of improved employment opportunities in the sector the decreases expected next year are mainly expected to be gradual rather than sudden.

Brewing and distilling expected capital expenditure to fall next year but paper thought it would rise. One engineering company is planning a new factory in South Africa and a new U.S. facility but there were few indications of major UK investment plans.

The all-industry figures are

				•
LABOUR	REQUIREMENTS	(Weighted	by	employment)

	4 monthly moving total				December 1981		
Those expecting their labour force over the next 12 months to:	Sept- Dec. %	Aug Nov. %_	july- Oct. %	June- Sept. %	Eng. (non- elect.) %		Paper Packaging Publishing
increase	8	8	7	12	12	0	17
Stay about the same	47	44	44	45	81	79	41
Decrease	45	48	49	43	6	27	42

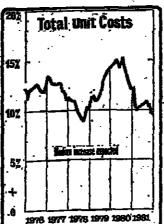
CAPITAL INVESTMENT (Weighted by capital expenditure)

Those expecting capital expenditure over the next 12 months to:	Sept- Dec. %	Aug. Nov.	July- Oct. %	June- Sept.	Eng. (non- elect.) %	Brews. Distills. %	Paper Packaging Publishing %
Increase in Volume	. 23	23	23	20	0	24	14
Increase in value but not in volume	12	12	13	14	0	48	
Stay about the same	22	19	19	25	26	3	73
Decrease	40	43	41	35	52	25	7

COSTS AND PROFIT MARGINS

Wage rises set to drop

sector a new low of 7.5 per cent. The of all public companies. engineering emains particularly gloomy range expected was never lower about profit with only 9 per than 5 per cent but in only one four month moving totals covercent expecting an improvement case did it reach double figures, ing some 120 companies in the in the next 12 months and 70



per cent expecting further con-

compared with five which 11 industrial sectors (mechani-expected 10 per cent or more when they were questioned last Companies expecting more

shrinkage in margins are remaining strongly determined to be tough on wage demands There is a growing trend away from industry-based settlements towards company-based settlements on the issue of demands for a shorter working

week. These surveys, which are carried out for the Financial Times by the Taylor Neison Group, are based upon interviews with top executives. Three sectors and some 30

Volume of **Purchases** - Relate of special The over Doors 1976 1977 1978 1979 1980 1981

companies are covered in turn cal engineering is surveyed every month. They are drawn every second month). After levelling off last month from a sample based upon the the median expected increase in FT Actuaries' Index, which chased from Taylor Nelson and wages fell again this month to accounts for about 60 per cent Associates.

December 1981 Pape June Sept. Brews. Packaging 0-4% 75 71 100 98 23 Remain the same No answer 33 29 75 18 54 10-14% 36 37 82 44

4 monthly moving total

0

0

2

0

PROFIT MARGINS

COSTS

-		f month!	y moving	total	December 1981		
	Sept- Dec %			June- Sept. %	Eng. (non- elect.) %	Brews. Distilis	Paper Packaging Publishing %
Those expecting profit margins over a next 12 months to : Improve		48	44	45	9	. 18	39
Remain the san	ne 43	39	- 35	31	22	82	59
Contra		7	11	14	70	0	2
No comme	at }	6	- 10	10	0	0	8

Wages rise by: Unit costs rise by: 15-19%

-		. 4	monthly	moving	total		December 1981		
•		Sept- Dec. %	Aug Nov. %	јшу- Ост. %	June- Sept. %	Eng. (non- elect.) %	Brews. Distills %	Paper Packagii Publishii %	
Those expecting profit next 12 months to:	margins over the Improve	49	48	44	45 -	9	18	39	
	Remain the same	43	39	- 35	31	22	82	59	
	Contract	8	7	11	14	70	0	2	
	No comment	J.	6	- 10	10	0	0	8	

In the eye of the storm

BY COLIN MILLHAM

New Year is never the most active time in financial markets, and the three days of trading last week was no exception. The London money market sailed along quietly enough, but was acutely aware that it was drifting gently in the eye of the storm. After a period of large shartages of day-to-day credit, cat used mainly by the delayed pay ments of taxes after the Civil Ser vice dispute the market can not v expect to be hit by further year bonus in the form of rates at a time when the £3bn of the remaining £32bn

Day's spread

4.28-4.32 124.00-125.25 183.50-185.50 2.288-2.302 11.04-11.14 10.86-10.93 10.51-10.59

30.00-30.20 3.42-3.45

bid 15 5/4

offer 137/8

'THE POUND SPOT AND FORWARD

1.2070-1.2090

2,291-2,293 11.06-11.08 10.87-10.89 10.53-10.55

30.02-30.12 3.43-3.44

1.5090-1.9110 1.5765-1.5795 1.1885-1.1870

2.4800-2.4575 38.41-38.43

0.35-0.25c pm 0.20-0.05c pm 17₈-13₆c pm 30-60c dis 33₄-23₆ore pm 0.24-0.34p dis

25-190c dis 10-40c dis 12-16 lire dis 2³--¹4ore pm ¹4c pm-¹4 dis 2¹--¹14ore pm 3.45-3.05y pm

0.35-0.25c pm 0.67-0.57c pm 0.06-0.11c dis 0.60-0.50c pm 25-35c dis

elgian rate is for convertible francs. Financial franc 81.00-81.10, ix-mont lorward dollar 0.85-0.75c pm. 12-month 1.05-0.85c pm.

THE DOLLAR SPOT AND FORWARD

the needs of the market on of the year. balance.

Intervention by the Bank of England had the effect of leav- bank base rates as three-month ing surplus funds in the system, enabling one or two discount houses to pick up late change in the critical seven-day continue on a large scale, but balances at 1 per cent, if they rate however, since the authorities had managed to keep very by the decision to increase the still keen on eating toffees after short term rates down the Yuletide festivities.

she rtages due to the normal easier U.S. interest rates, easing supply of market credit was in circulation are probably see sonal payment of tax. Last the pressure on London rates, tight has resulted in the Bank eligible for purchase by the week conditions were comfort and helping sterling to finish of England buying very large authorities.

1.69 57-33 pm -0.27 37-47 dis -1.99 8-7 pm 9.30 9.16-8.60 pm

-9.37 50-70 dis -0.33 1.60-2.00dis -0.33 1.62-2.00dis -11.96 65-235 dis -3.37 55-75 dis -9.31 28-30 dis -0.52 0.50 pm-par. -1.89 4-47 dis -0.54 2.20-2.00 pm 7.51 3.90-3.75 pm 3.58 167-132 pm

CHRISTMAS THROUGH to the able, however, with the supply on a firm note despite a fall of quantities of paper. Accord-

This improvement took the immediate pressure off clearing money fell comfortably below

The desire to control the There was even an end of upward pressure on interest

of money only slightly below around 50 cents over the course ing to estimates made by Gerrard and National, of the record £7bn bank bills in issue the Bank of England holds month or so official purchases 16 per cent. There was little of eligible paper are likely to number of banks able to issue eligible bills. Gerrard and National suggests that over

	Dec. 31	Dec. 30
	Gold Buillon (fin	e ounce) .
Close \$39 Opening \$39 Morning fixing \$40 Afternoon fixing \$	91 ₂₋ 4001 ₂ (£2091 ₈ -20	95 ₈) \$39754 \$3854 (£209 £091 ₂) \$396 \$397 (£208 4 2085 ₄ \$297,26 (£208,804) \$397,50 (£208,826)
	Gold Coins	•
New Sovereigns. \$98 King Sovereigns. \$11 Victoria Sovs \$11 French 20,s \$97 60 pesos Mexico 649 100 Cor. Austria. \$35	24_2125_	4) \$211.218 \$2103-11114 \$107-108 \$2561-517 \$44.45 \$252-2319 \$4101-41119 \$2151-2316 \$1313-114 \$2501-5157 \$113-114 \$2501-5957 \$113-114 \$2501-5957 \$113-114 \$2501-5957 \$143-114 \$2501-5957 \$2501-2507 \$482-495 \$2681-2607 \$149 \$368-389 \$2023-2044

OTHER CURRENCIES

Dec. 31	£	8		Note Rates
Argentina Peso	20.008-20.2081	10.550-10.600t	Austria	30,00.30,30
Australia Dollar		0.8865-0.8870	Belgium	79,50-81,50
Brazil Cruzelro	242,98.243,98	127,16-127.60	Denmark	15,94-14,06
Finland Markka	8.316-8.336	4.3550-4.3600	France	10,87-11.02
Greek Drachma	107,429-110,708	57.90-57.40	Gern. 19y	4,29.4,34
Hong Kong Dollar	10,778-10,798	5,65.5,66	Italy	2290-2360
fran Riai	150,50*		Јарап	422-427
'Kuwait Dinar (KD)	0,535 0,542		Netherlands	2,7050-2,7550
Luxembourg Fr	73.30.73.50		Norway	11.06 11.16
Malaysia Dollar	4,2690-4,2790	2,2350-2,2450	Portugal	124-138
New Zesland Dir.	2.3165 2,3185			185 ₄ -195±
Szudi Arab. Riyai	6.52-6.5 8		Sweden	10.55-10.65
Singapore Dollar.	3,8920-3,9020			3,42 ig -3,46 ig
Sth. African Rand	1,8270 1,8300	0,9565-0,9585	United States	1,90-1,92
U.L.E. Dirham	7.00-7.05	3,6700-3,6750	Yugoslavia	90-95

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for S10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Yokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

2 7.35-30.58 2 .3100-7.3256 2 .3202-2.2560 2 .2420-2.2560 2 .2420-2.2560 2 .2420-2.2560 2 .2420-2.2560 2 .2426-2.2476 6 .50-68.50 6 .50-68.50 5 .70-67.70 5 .70-77.30 5 .80-70.50 5 .80-70.50 5 .80-70.50 5 .80-70.50 5 .80-70.50 5 .80-70.50 5 .80-70.50 5 .80-70.50 5 .80-70.50 5 .80-70.50 5 .80-70.50 5 .80-70.50 5 .80-70.50 5 .80-70.50 5 .80-70.50 5 .80-70.50 5 .80-70.50 5 .80-70.50 5 .80-70.50 6 .80-70 f UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. EURO-CURRENCY INTEREST RATES (Market closing Rates)

			_				-			
Dec. 31	Sterling	U.S. Dollar	Genadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Seigian Franc Convertible	Japanese Yen
Short term	14½-14½ 14½-14¾ 15½-15½ 15½-15½ 15½-15™ 15¼-15%	13%:1273 12 ³ ;-13 13:1314 13:12:1334 14:2:1434 14:2:1434	9-11 9-11 1338-1534 1538-1534 1638-1634	10-10 ¹ 4 10 ¹ 4 10 ¹ 2 10 ¹ 6-10 ¹ 8 10 ¹ 1-10 ¹ 1 10 ⁷ 8-11 10 ¹ 6-11 ¹ 1	444 4454 84878 91894 91894 888	10%·10½ 10%·10% 10%·10% 10%·10% 10%·10%	14 ² 4-15 ¹ 4 14 ³ 4-15 ¹ 4 15-15 ¹ 2 16 ³ 8 16 ⁷ 8 1778-18 ³ 8 18 ³ 5-18 ⁷ 8	17-20 1814-2134 2115-2831 2314-2414 2334-2414 24-25	1573-1758 17-20 203-24 30-2212 20-2114 18-1958	5 -51 ₂ 53; 6 61 ₈ -61 ₄ 61 ₈ -61 ₆ 67 ₃ -7 7-71 ₈

SDR linked deposits: one month 124-125 per cent; three months 124-134 per cent; six months 134-135 per cent; one wonth 124-137 per cent.

ECU linked deposits: one month 142-142 per cent; three months 144-142 per cent; six months 144-152 per cent; one year 142-142 per cent.

Alian S. (closing reles in Singapore): one month 134-137 per cent; three months 133-133 per cent ent; six months 144-15 per cent; one year 144-15 per cent; three years 154-154 per cent; five years 154-155 per cent; five years 154-155 per cent; five years 154-154 per cent; five years 154-155 The following nominal rates were quoted for London dollar cartificates of deposit: one month 13.05-13.15 per cant; three months 13.35-13.45 per cent; six months 13.90-14.00 per cent; one year 14.05-14.15.

FT LONDON INTERBANK FIXING (11.00 a.m. DECEMBER 31)

offer 14 15/16

6 months U.S. dollars

bid 14 15/16

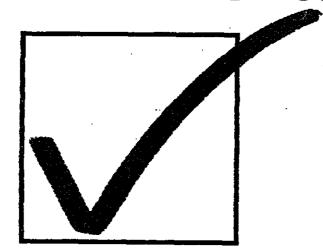
Dec. 31 1981	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds		Company	Discount Market Deposits	Treasury	Eligible Bank Bills 4	Fine Trade Bills ¢
vernight		154-16	1413-1454			141 ₂ -147 ₈	13-1412			
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iays or iays notice	i 🚆	1412-15	15-151	! = 1	_	151g-153g	141-142-	- !	- !	-
e month		15 & 15 lg ,	15&	1612-1614	156a			14 1413	145a	15%
vo months	155a 151g	151g 154		1639-16	15 ,2	157g	1412	1412-144		155
ree months.	15 ts · 15 ts	15-4-15+	155g	1614-1578	15%	16	1419	145-14	141. 1474	1558
x months		1558-1518	1559	1512-1514	153,	1 – ;			1412	154
ine months	15 .k -1558	ا 151ء 151ء ا	_	155a-15&a i	15₩	ı — .'	_	_ :	:	'

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority rates nominally three years 15½ per cent; four years 15½ per cent; five years 15½ per cent; deank bill rates in buying rates for prime paper. Buying rates for four-month bank bills 14½ per cent; four months trade bills 14½. months 15% per cent.
Finance Houses Base Rates (published by the Finance Houses Association) 15½ per cent from January 1 1982.
Clearing Bank Deposit Rates for sums at seven days' notice 12½-12½ per cent. Clearing Bank Rates for landing 14½ per cent. Treesury Bills: Average tender rates of discount 14.7813 per cent.

CURRENCY	RATES
Bank S	ecial Eu

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terling !	0.610042 0.566523	Nico
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☐ \$A, NZ\$, and other currencies

☐ Direct Corporate Dealing

☐ Sterling and Currency Deposits

☐ Euro currency & Money Market Facilities

☐ Trade & Corporate Finance

□ Direct Interbank Dealing

If you've ticked any of the boxes, the indications are that you have international business and that you could benefit from approaching ANZ, the most experienced international Australian bank. We have a 30 years track record to prove we can more than compete in effective foreign exchange dealing.

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AUSTRALIA AND NEW ZEALAND BANKING GROUP LIVITED

EQUITIES

price	Amount Paid up Latest Renuno. Dato	1981 High Low	Stock	Closing		amount	_		
100 135 225 82 80 61 150 150 USSS-90	F.P. 13/1 F.P. 22/1 F.P. 22/1 F.P. 22/1 F.P. 4/1 F.P F.P. 18/12	97 86 25 32 240 233 86 83 84 81 10 9 63 62 50 39 109 100 165 157 305 283 9 41 70 68	Cussins Prop Equipu. — F&C Enter, Warrants Good Relations Grp GG'nw'hCable&Cm.	253 253 84 85 9 62 39 100 157 283 8 59	-1 + 12	64.9 bd8.1 b2.5	1.2 3.8 2.6 2.1 2.0 2.2 1.8	2.254 1.9 13 8.3 6 5.3 12 5.8 12 14.9 4 9.6 7	8 3 5 4 6

FIXED INTEREST STOCKS

tesue price £	mount	bruno date	19		Stock	Otosing Price Ja	+_0
97.48 100 #100 4200 69 70	£25 F.P. F.P. F.P. F.P. Nii F.P.	25/3	51 103 7pm 1001 ₂ 100 78 75	2314 51 102 4pm 99 99 9914 64	Caisse Nat. Des Auto. 162 Gtd. Ln. 2008 Gen. Mtrs 722 Gtd. Uns. Ln. 87-92	24 51 1021 ₂ 4pm	+1

"RIGHTS" OFFERS

issue price p	Am'unt pold up	Renu dat	inc .	19 High			Stock		Cipaing	1+0
71c 142 2.5As 162 44 71c 90 50 25 05 ets	F.P. Nil F.P. Nil F.P.	29:12 23:12 18:12 17:12	29;1 21/1 15/1 21;1	92pm 183 6pm 21g 10pm 54 4pm	60pm 172 6pm 73, 7pm 50	C 5 R Great Po Lennons Regian P Rea Broti Strong & Telfos T N T	rtland Ei Grp. 70p. hers. Fisher.	10000	72p 180 6p 10p 52 1p 116p	m -2 m -2 m -1 m -1

capital; cover based on dividend on full capital. g Assumed dividend and yield eiter scrip issue. m interim since increased or resumed. u Forecast dividend; cover based on provious year's semising. Thirdend and yield based on prospectus, or other official estimate for 1981. F Dividend and yield based on prospectus, or other official estimate for 1981. Q Gross. T Figures assumed. I Cover allows for conversion of shares set now ranking for dividend or ranking only for restricted dividends. S Fricting price. p Pence unless otherwise indicated. I I saued by tender, I Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. S Reintroduced. I I saued in connection with reorganization, recipier or taken and the connection with reorganization. E Allottnett price. p Pence unless otherwise indicated. I Issued by tunder. Offsred to holders of ordinary shares as a "rights." Issued by way of capitalisation. Si Reintroducad. It issued in connection with reorganisation, rosepassion over. If introduction. It issued to former preference holders. If Allotment letters (or fully-paid). Provisional or party-paid efforment letters. A With warrants. It Dealings under special Rule. If United Securities Market. It London Listing. It effective issue price after sortp. I issued as a sakt comprising 33 Ordinary and 25 Loan 1936-88.

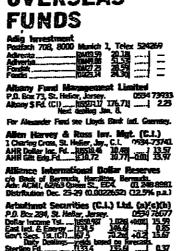
Traffic safety booklets | Jobs scheme

BOOKLETS to help the young the County Road Safety Officers' Association of the County Surveyors' Society.

THE Young Workers Scheme. BOOKLETS to help the young under which employers can and the elderly to cope with apply for weekly allowances for traffic have been produced by young workers under 18 who are in their first year of fulltime permanent employment.

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OFFSHORE & **OVERSEAS** FUNDS



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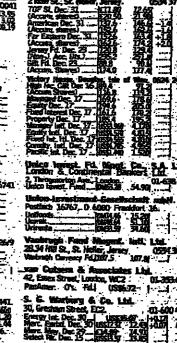
9, Avenue de la Liberte, Luxembourg London Agent: FFS, Salisbury Hse, Luxdon Wall ELZM 51A. Tel. 01-920 0775 Telex 887261

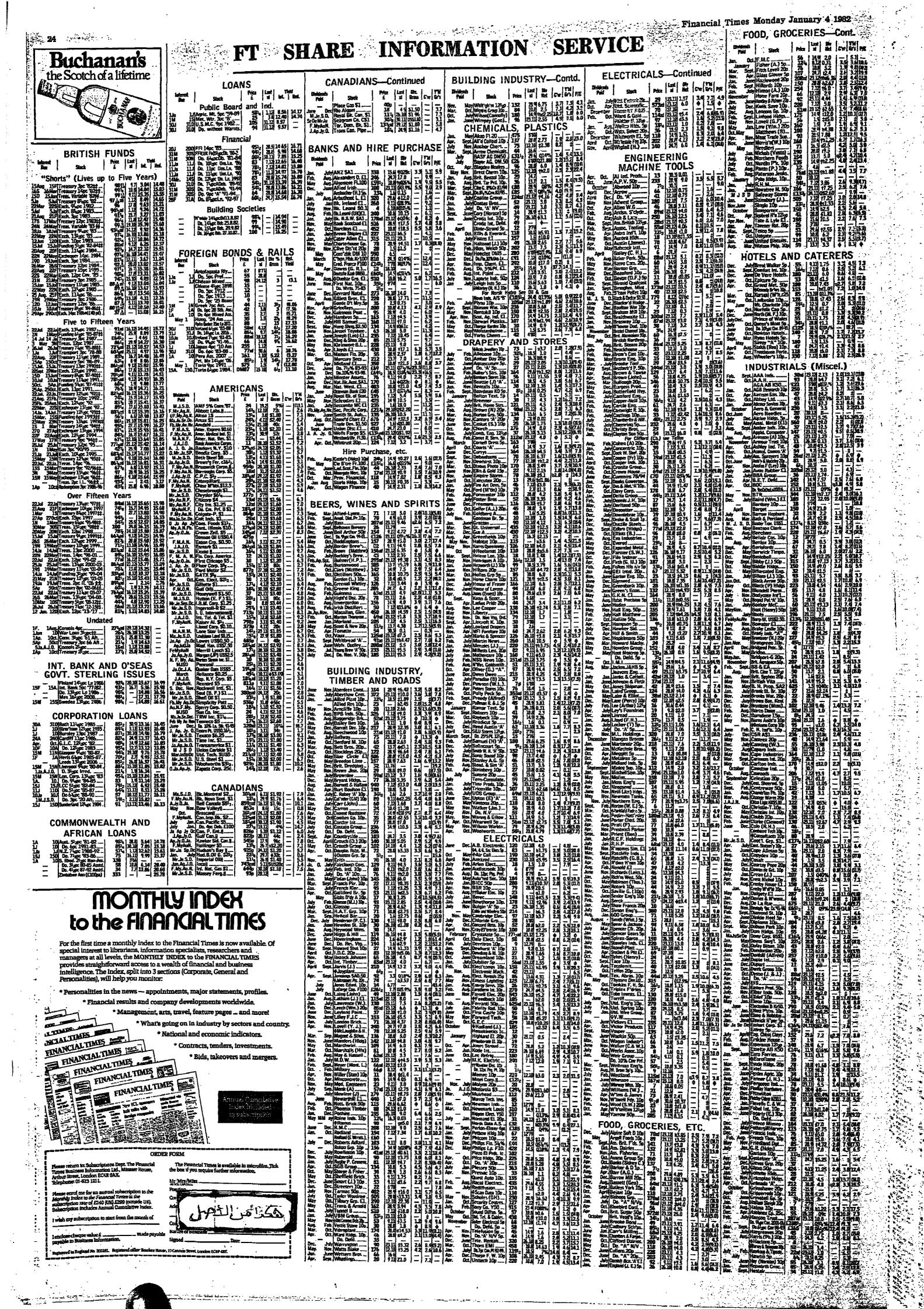
Fizzing Japan Food S.A. Fi-Index 2008 - 1000 - Free World Food Ltd.



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Sectry Assurance Internation P.O. Box 1776, Kamilton 5, Berry Inches 5, 146





Financial Times Monday January 4 1982 INDUSTRIALS—Continued OIL AND GAS-Continued INSURANCE—Continued PROPERTY—Continued INVESTMENT TRUSTS-Cont. Price al Ret C'er Grs P/E | Section | Part | Part | Section | 17 23 (21) 32 47 82 13 08 --3.8 14205 18 224 25 114m | 212 | 12.45 | 12 | 3.0 | 475 | 1.1 | 5.5 | 1.1 | 7.4 | 852 | 14.9 | 4.65 | 1.1 | 3.8 | 1.2 | 3.0 | 4.5 | 1.2 | 3.0 | 4.5 | 1.2 | 3.0 | 4.5 | 1.2 | 3.0 | 4.5 | 1.2 | 3.0 | 4.5 | 1.2 | 3.0 | 4.5 | 1.2 | 3.0 | 4.5 | 1.2 | 3.0 | 4.5 | 1.2 | 3.0 | 4.5 | 1.2 | 3.0 | 4.5 | 1.2 | 3.0 | 4.5 | 1.2 | 3.0 | 4.5 | 1.2 | 3.0 | 4.5 | 1.2 | 3.0 | 4.5 | 1.2 | 3.0 | 4.5 | 1.2 | 3.0 | 4.5 | 1.2 | 3.0 | 4.5 | 1.2 | 3.0 | 4.5 | 1.2 | 3.0 | 4.5 | 1.3 | 3.0 | 4.5 | 1.3 | 3.0 | 4.5 | 1.3 | 3.0 | 4.5 | 1.3 | 3.0 | 4.5 | 1.3 | 3.0 | 4.5 | 1.3 | 3.0 | 4.5 | 1.3 | 3.0 | 4.5 | 1.3 | 3.0 | 4.5 | 1.3 | 3.0 | 4.5 | 1.3 | 3.0 | 4.5 | 1.3 | 3.0 | 4.5 | 1.3 | 3.0 | 4.5 | 1.3 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3. **Clube Petroleum. 138
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**Chyle Petro 31 45 — July F.U.G.I.T (RD.25)
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Aug. Geevur ...
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Jan. Gopeng Cons. ...
Aug. Henglong ...
Sept. Idris 100 SOUTH AFRICANS Garages and Distributors

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July Beake: (J.) 220.
Nov. Beckman A. 100.
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Northgate C\$1.
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Oct. Discon (Devol)
July Enry 10 Weny (De
July Foster (John)
Nor. East-II Bloom 28b.
Nor. Miching P3.1 50p.
Aug. Highsons.
Feb. Heardray
Mar III 'genrah IA 20p.
Mar III 'genrah IA 20p.
May Jerome (H.) 10p.
July Leeds Dyers
Lister ...
Lister ... 138 75 223 73 237 237 NEWSPAPERS, PUBLISHERS RUBBERS AND SISALS 1 0o 'A' Int Car Dr. REGIONAL MARKETS
The following is a selection of London quotations of shares previously its fisted only in regional markets, Prices of Irish issues, most of which are not officially fisted in London, are as quoted on the Irish exchange. Athany Inv. 20p. 48
Bertrans. 16
Begrwir. Est. 50p. 405
Graig & Rose 51. 13
Finlay Pro. 5p. 26
Graig Stab. 51. 75
Helt (Jbs) 25p. 520
1.0.M. Strw. 11
Pearce (C. H.) 646
Pearce (C. H.) 116
Sheff. Refrishnt 85
Sindali (Wm.) 199 **OPTIONS** 3-month Call Rates

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are

| RRSM | Conv. 995 19082 | 194 | 11₆ | 182. 91 % 8499 | 1653-18 | 1734 97/02 | 1734 11₆ | 1834 97/02 | 1734 11₆ | 1834 97/02 | 1734 11₆ | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 1834 | 183

George Cohen Machinery LTE 23-25 SUNBEAM ROAD LONDON

Egypt buys 20 Mirage jets

Charles Hernu, the French Defence Minister, and Egyptian

Announcing details, Lt Gen Egyptian Defence Minister, said range of aircraft, but the high the French Government will cost of the Mirages—et \$50m provide financing in the form each with their arms—are said of a short-term loan at 9 per to have prevented a bigger cent interest repayable in 12 sale. six-monthly instalments, starting

The Mirage 2000 is the latest tion (AOI). model from France's Marcel

the past year. the US F-16, of which Egypt has Saudia Arabia and the Gulf 40 on order and is said to be States. both simpler to fly and less

rebuild its armed forces and in France.

Metro contract and some replace its ageing Soviet equip—

Terry Dodsworth in Paris telecommunications deal replace its ageing Soviet equipment. France is now Egypt's adds: The arms deal with Egypt

Egypt a first batch of 20 Mirage and its greatest supplier of administration is continuing to and partly by Coface, the official 2000 combat aircraft in an arms military aircraft—Egypt already strengthen the trade and military aircraft organisation, are deal worth \$10n. The conclusion has 60 Mirage 5s as well as tary links with Egypt developed said to have carried interest of the deal came after three Gazelle helicopters and Crotale days of talks in Cairo between anti-aircraft missiles. It has 30 Alpha jet trainers on order. The Egyptian Press had been

predicting a bigger arms deal of 40 to 60 Mirage 2000s along Abdel Halim Abu Ghazala, the with additions to its existing

Costs will be partly offset by a joint manufacturing agreefrom date of delivery in 1983. a joint manufacturing agree-Unlike similar U.S. loans for ment of up to 6m hours at the arms, there will be no grace factories of the under-used Arab Organisation for Industrialisa-The French will thus obtain a

Dassault aviation equipment manufacturing base in the stable and only entered service region which will pay dividends with the French Air Force in should reconciliation between Egypt and the Arab States lead It is regarded as superior to to funds being reinvested by

As part of the military cooperation agreement, France has Since the 1973 Mid-East war also agreed to train a number Egypt has shopped around to of officers, pilots and mechanics

the late 1970s.

Following this big drive by French exporters, which led to two major contracts for telecommunications equipment and a new Cairo Metro line, sales in Egypt rose to FFr 5.5bn (\$965m) in 1980. This was an increase of almost 50 per cent on the previous year's exports, and accounted for one of the biggest country trade surpluses

French companies' success in Egypt has gone some way towards compensating for the heavy deficit France runs with other Arab countries. In both Saudi Arabia and Iraq (in the pre-Iranian war period). French exports made only a limited dent in the deficit caused by big oil imports.

(FFr 5bn) registered by France.

In Egypt, however, France has bought its exports dearly about FFr 1.4bn. through granting cheap finance. Two low-interest credits were made in 1980 to finance the Metro contract and some of the

FRANCE has agreed to sell second largest trading pantner shows that France's Socialist partly by the French Treasury by the previous Covernment in rates ranging between only about 3 per cent and 8.5 per

> Further credit lines, worth a total of FFr 1.4bn, were also issued at "favourable" rates by the Treasury and Coface late in 1980 and in April last year.

> The Metro contract, of which FFr 850m is covered by French credits, is reckoned to be worth about FFr 1bn in total for the construction of a 4.6 km line. Egypt has already spent another FFr 420m on 51 electric

France's part in the telecommunications deal, shared with Siemens of West Germany, has so far led to two contracts for Thomson-CSF. These are for the renewal of three telecommunications networks, as well as the system in Alexandria, for a total of

Early last year, France and Egypt also signed a nuclear co-operation protocol which is expected to lead to an Egyptian order for two nuclear power

Iraqi oil exports hit by blast

BY IHSAN HIJAZI IN BEIRUT

its oil exports suffered a serious current exports have to be chansetback yesterday when uniden- nelled through the pipelines to tified saboteurs blew up a pipe-line carrying crude to Tripoli, the port in northern Lebanon.

The explosion caused a huge fire which was still raging several hours later. Lebanese officials said all pumping had only 10 days ago after a five-been halted. Later last night year closure and was expected state radio reported the fire was to carry about 200,000 b/d. out and that experts were assess-

With heavy fighting continuing in the war with Iran, Iraq urgently needed the extra Tal capacity provided by the Tripoli north pipeline to finance its war effort and to maintain its ambitious Syrian border. economic development pro-

oil exports have slumped from nearly 3.5m

IRAO'S EFFORTS to increase little as 600.000 b/d. All its for repairs. Turkey and Banias in Syria. These have a combined capacity

of close to 1m b/d. The Tripoli pipeline is a branch of the main pipeline through Syria. It was opened Iraqi officials believed this could be increased to nearer 400,000 b/d.

about three miles south of the

A Lebanese-registered tanker came under rocket bombard-ment at the Tripoli terminal on Saturday. The attack started a

Iran has meanwhile claimed further success in the war. It says its troops have crossed into Iraqi territory for the first time. Tehran radio said 700 Iraqis were killed or wounded in a battle in the northern Diyala region. Another 114 Iraqis were Palestinian guerrillas. said to have been taken prisoner.

Iraq confirmed there had been heavy fighting in the north but said it had killed more than 900 Iranians near the town The pipeline was blown up at of Nowsud. The Iranians say endure. Tal Abbas in Lebanon's they have penetrated three Israel northern district of Akkar, miles into Iraq in the Nowsud Syria's

Nations peace-keeping force was killed yesterday and another wounded when their post came barrels a day before the war fire in a section of the ship. The under attack in the central Soviet-made T-34 tanks we started 15 months ago to as tanker has been sent to Greece sector. About 70 UN troops displayed for the first time.

have died since the 6,000-strong force was deployed in the spring of 1978.

The central sector has seen regular clashes between the UN troops, the Christian militia forces of Major Saad Haddad. who is backed by Israel, and

The UN force did not say who was responsible for firing on the Ghanaian soldiers but the incident will raise further doubts about how much longer the ceasefire in the south can

Israel's sudden annexation of Syria's Golan Heights last month led to a further military In south Lebanon a Ghanian build up in the region. Last solder serving with the United Friday el-Fatah, the main guerrilla organisation, celebrated its 17th anniversary with a big military parade at which Soviet-made T-34 tanks were

Rail

be less severe but a separate unofficial strike by drivers at Edinburgh beginning at midnight tonight would greatly re-duce services on the East coast line between London and Scotland.

Cancellations are likely to increase during the week as drivers refuse to complete journeys involving overtime. Problems are likely to arise from trains being abandoned at

the wrong stations. Mr Sid Weighell, the National Union of Railwaymen's general secretary, said he had written to the Associated Society of Locomotive Engineers Firemen — the main train drivers' union-before Christmas asking for early talks on British Rail's productivity formula which is at the heart

of the dispute. Mr Ray Buckton, Aslef general secretary, replied that he would put the request to his executive, but did not agree to bring forward a meeting of the scheduled for January 26.

Mr Welghell, whose union has accepted BR's productivity plan, said any further attempts to end the strike would have to

come from Mr Buckton. The object of the federation is to get policies of rail unions in line with one another. Clearly that is not working on this occasion, otherwise would have sat down and talked it through before any strike

The dispute is about the terms of an agreement reached at the Advisory Conciliation and Arbi-Advisory Conciliation and Arbithis case. That's what should tration Service in August. BR is have been done, instead of dealrefusing to pay drivers a 3 per ing in public statements and cent second stage of a pay award suspension of negotiations." or introduce a promised 39-hour

Continued from Page 1 New help for small businesses

BY ROBIN PAULEY

small businesses, including a tives in the last Budget to innovators. encourage private investment, are announced today by the London Enterprise Agency The new services include an innovation unit to assist

inventors and small businesses with new products; • a purchasing initiative by a group of large companies; increased training programme

by LentA for business start-ups. The innovation unit will be run by a manager seconded from BP and will include an adviser seconded from a bank. It will try to help people with new ideas by using the research and development facilities of large companies and will also be able to call on the

NEW INITIATIVES to help to involve professional institu- ing banks offered a total of scheme to utilise the tax incen- bodies in locating potential

> seminars run by LentA at which briefing small companies about The new initiative will include conjunction with the Confederation of British Industry and the Institute of Purchasing Supply.

Design Council and a leading groups of potential The possibility of syndicates firm of patent agents.

The development is an advance on LentA's existing to a bank manager. On the last four or five small businesses.

counselling service for innova-

higher education The new purchasing initiative

has developed out of a series of purchasing managers from large companies have been their buying requirements. an import substitution drive in

The start-up training programme is run jointly with the The course intended to help

Greater London Council, During 1982 it will be expanded to include evening "clinics" as well as one day conferences and an

course, in December, representators and will include an attempt tives from four London clear also being examined.

£380.000 to the 25 participants. LentA was formed in 1979 in conjunction with the London Chamber of Commerce and Industry. It has helped to set up more than 200 new businesses and has advised more than 600 companies.

founder members were Shell, Barclays Bank, BOC, BP, GEC, IBM, Industrial and Commercial Finance Corporation. Marks and Spencer and Midland Bank. The agency already runs a service to link small firms with

potential investors or partners and it is now planned to expand this to try to appeal to "armsinvestors who wish to use the £10,000 tax allowance announced by the Chancellor in intensive four-weekend course, the 1981 budget for private investment in small businesses.

hedging the risk involved, is

Alliance dispute Continued from Page 1

the Liberal chief whip, accused him of breaking the agreement by sidestepping the alliance's formal disputes procedure.
"When things can't be re-

solved locally, then they can be referred to the national nego-tlating machinery," he said.
"But that's not been done in

working week until Aslef agrees on the issue, other than to tumour on Saturday. Sir present difficultie to daily shifts of variable length. suggest that Mr Rodgers "seems Thomas, who was knighted in at national level.

pies for Christmas" and to re-mark that the Liberals were with a majority of barely 2,000 democratic, unlike the authori-

In his New Year's message two days earlier, he criticised the SDP's "excessive demands"

with a majority of barely 2,000 at national level. Labour came a strong second

and the Liberals a poor third. and the seat is considered a near certainty for SDP. Mr Jenkins is believed to be keen to contest the seat, which he would have a good chance of holding in a general election.

Should he wish to stand, the local Liberals are expected to support him, providing the present difficulties are solved

schoolgirl" and Mr Alan Beith, to have had too many mince last week's honours list after 34

Mr Steel refused to be drawn

tarian Social Democrats.

and castigated both sides for their "arrogance and bluster." The parties will be under pressure to resolve their differences quickly following the death of Sir Thomas Galbraith. 64, who died from a brain

Optimism on upturn prospects dampened

BY DAYID MARSH

THE BRITISH economy has yet since the pound's fall this to climb out of recession, according to signs in the FT Survey of Business Opinion, published today.

month—from the engineering, markets. Respondents generally relation to current sales trends. brewing and paper industries expected wages to rise by only reported sluggish end-year around 7.5 per cent over the re-stocking on which the demand. They were generally next 12 months, down from 8 more gloomy about business prospects for 1982, with the The overall expected level of is unlikely and even that some index of optimism about the price rises also fell back further rundown of inventories outlook falling back slightly slightly towards 8.5 per cent.

after the short-lived rise in the Because of productivity inprevious month.

But on the positive side. com- margins remains relatively good. panies were more confident although the engineering sector look for orders and turnover about export prospects, con- was more pessimistic about during 1982. The number of

Relief from inflationary pres-

sures appears to be continuing as a result of weak industrial Companies questioned last demand and slack labour per cent in the previous survey.

> Because of productivity increases, the outlook for profit about exports, companies were

e promise programme in the second section of the second second second second section in the second section is the second second section of the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the section is the second section in the section is the second section in the section is the section in the section in the section in the section is the se

A particular setback to Government and industry hopes of a New Year upturn is the unfavourable outlook for stocks. Most companies still say their inventory levels are too high in

This suggests that significant Treasury is pinning much of its hopes for economic recovery-

In spite of greater optimism gloomy about the general outtinuing the improvement seen profits than when last surveyed. companies expecting increases

in order books during the year is balanced by those forecasting

Underlining the extremely tenuous nature of the economic upturn, last month saw another increase in the number of companies reporting assets standing unused.

The jobs outlook remains very Although there was a small improvement in the index measuring labour requirements last month, the overwhelming majority of respondents still expect to trim staff levels, during 1982.

Business opinion survey, Page 21

Strike vote sought by miners' leaders

LEADERS OF the National Union of Mineworkers today call on their 250,000 members to urging the pitmen to support a secret ballot to be held in 10 recovery are dim. days' time.

The NUM leaders are looking for a convincing mandate is constitutionally sufficient—in Government

The union's executive has ejected, on a 19 to 5 vote, a £102m offer which would increase basic wage rates by about 8½ per cent and be worth between 9 and 10.5 per cent with the inclusion of a service The miners' claim is bonus. for the equivalent of a 24 per

cent rise.
Under a banner headline
"Why your vote must be Yes," the NUM bulletin argues that the Chancellor's recent economic

the Chancellor's recent economic package has destroyed the value of the board's offer.

Mr Lawrence Daly, NUM general secretary, says Sir Geoffrey Howe's measures have hardened the miners' mood. "It has sharpened the need to achieve the wage claim; and the vital next step will come through the membership expressing their support and solidarity through the pithead ballot. It will immensely strengthen our case in the fight to maintain the living standards of our members and their

families." Mr Daly says the lowest-paid surface worker needs more than £100 a week basic (the NUM claim is for £100) to restore the position won after the 1972 national strike to match past and projected inflation. The top-rated surface worker would need £150 a week basic.

The Chancellor's package had raised national insurance contributions by more than £1 a week for most miners, council house rents were going up by £2.50 a week and the cut in the rate support grant to local authorities meant an average increase in householders' rate bills of £45. The union's strategy has been

endorsed by a specially conwhere only three hands; those of the Leicestershire area representatives, were raised in opposition.

The board's offer would raise minimum rates to £87.80 a week for surface workers and £121.55 at the coalface. With bonus pay. it is said average earnings would range from £129 to £158 a week.

Weather

UK TODAY TROUGHS of low pressure over northern districts will move slowly south ondon, S. England, Channel Islands, S. Wales

Showers, some bright intervals. Max. 11C (52F). N. Wales, N.W. England Outbreaks of rain turning wintry with icy winds. Max. 6C (43F).

N.E. England, Edinburgh, Glasgow, Dundee, Argyll, N. Ireland Sleet or snow at times. Winds strong to gale. Max. 3C (37F).

Aberdeen, Moray Firth, N. Scotland, Orkney, Shetland Bright intervals, scattered snow showers. Winds strong. Max. 1C (34F). Outlook: Colder, windy, with videspread frost.

WORLDWIDE

Y'rlay

Algiere	S	19	66	Luxmbg.	C	7	45
Amsdm,	C	11	54	Luxor	_	_	
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By Christian Tyler, Labour Editor

West German equity The vote for a national strike over market has disappointed invespay "if necessary" this winter. tors for the third successive A special issue of the union's year. After a strong rally early newspaper, The Miner, will be in 1981, share prices peaked in distributed in the coalfields mid-year and were trading last week close to the level of 12 their national executive com- months ago, Looking into 1982, mittee's uncompromising line in the prospects for a rapid

has been remarkably uniform.

A few major companies, includ-

ing Preussag, have significantly outperformed the market, but

such instances are rare. The Frankfurt stock market is con-

stituted very largely of mature,

cyclical companies and the

firm control exercised by the

According to no less an

two years, the decline in real

The corporate sector has had

to contend with a very weak

level of domestic demand and a

steep rise in costs, offset only

partially by the currency-induced increase in export

orders. In real terms, domestic

orders to the German capital goods industry showed a fall of

7 per cent in the first 10 months of last year. A 10.5 per cent

rise in foreign orders confined

the overall fall to 0.4 per cent-

close to the decline in GDP

The effect of lower capacity

itself.

terms is about a quarter.

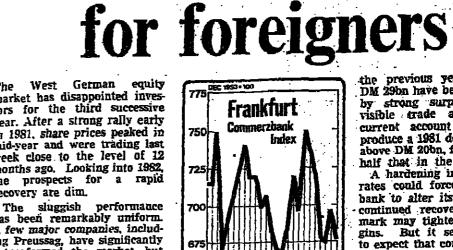
although a 55 per cent majority the expectation that the threat of a strike will be enough to force more money out of the National Coal Board or the

banks ensures that unwelcome Bundesbank, the squeeze on corporate profits over the past two years has been the most severe of the post-war period. Profits fell by around 10 per cent in 1980 and, over the past

utilisation has been compounded by the mounting cost of raw materials and a poor produc-tivity performance. Oil prices rose by a third in D-Mark terms between January and October of last year while wage costs per unit were growing at about 6 per cent, close to the rate of inflation. Moreover the historically high level of interest

ence of the corporate sector on bank finance have substantially reduced interest cover and weakened balance sheets which, by UK standards, already looked stretched. Shareholders' funds currently represent about 20 per cent of total liabilities in the average

West German balance sheet. A decade ago they accounted for 30 per cent. The growing dependence on external finance 1980. Commerzbank was obliged to omit its dividend because of More recently, the banks have



THE LEX COLUMN

Frankfurt waits

write off their substantial Polish

1980

takeovers are nipped in the bud. prospect that any The recovery in share prices will authority than the Deutsche trigger a spate of new equity offerings is already a worry to the market particularly as foreign investors, who were heavy takers of new stock earlier last year, are fighting shy of German equities. Between August and October, German companies raised only DM 700m in new equity — compared with DM 2.6bn in the same period of 1980 - and almost the whole amount was taken up foreigners.

Foreign buyers

Early last year, equity values were supported by a series of foreign incursions. OPEC states, UK institutions, U.S. pension funds and French investors with election jitters were strong net buyers. According to analysis in Frankfurt, only OPEC has stayed in.

The crystal ballgazers of Bonn and Frankfurt have reached a virtual consensus that the current year will show some slight real growth in GDP. Four of the five leading economic institutes are expecting growth of 1 per cent. On top of that, West German trade rates and the growing dependunions are apparently preparing to accept wage rises in the area of 5 per cent, around 12 percentage points below the current level of inflation. The Bundesbank has already

ease, by dropping its special Lombard rate from 12 to 102 Frankfurt stock market stock aggregate is running close has coincided with an acutely to the bottom of its 4-7 per cent difficult period for the banks. In target range and pressure on mismatching on its loan book. round in the current account. a rekindling of foreign interest Fears that this might show in German equities for it to

had to consider whether to a greater deficit in 1981 than regain its lost momentum.

DM 29bn have been confounded by strong surpluses on the visible trade account. The visible trade account. current account is likely to produce a 1981 deficit not much above DM 20bn, falling to about half that in the current year.
A hardening in U.S. interest rates could force the Bundesbank to alter its stance and a continued recovery in the D-mark may tighten export margins. But it seems plausible to expect that corporate profits,

levels. If the recovery is sustained principally by easier interest rates, the German bond market may benefit from the upturn as much as equities. The persistence of a backward sloping yield curve and a DM 20bn increase in the public sector deficit kept interest in the debt markets lukewarm throughout. 1981. However, the curve is now flattening (the yield gap between one year and ten year money is about 0.75 per cent) and the net financing requirement of the public sector is likely to show a modest fall in

and dividends will recover this

year to something like 1980

the current year. However, the improvement in he current account suggests the government finance a smaller proportion of its deficit abroad, so the domestic markets will probably be absorbing about the same foreign incursions. OPEC states, amount of paper as last year. It followed in rapid succession by is also possible that, with unemployment rising through the 1.5m level, Bonn may succumb to pressure for a reflationary policy financed through the debt markets. But, with mortgage demand and capital spending likely to remain at a low ebb, the projected deficit is almost certainly within manageable proportions.

Currency play

Historically, foreigners have gained—and for much of last year lost—more on the movement of the German currency than on the equity market itself. Heavy net redemptions by mutual fund holders throughout 1981 testified to the growindicated that it is prepared to ing disenchantment of the see short-term interest rates individual German shareholders indicated that it is prepared to with the dismal showing of the per cent, and it could make a steady weakening of the D-mark further move early in the new during the first three-quarters year. The growth of its money of 1981 encouraged a flight of capital to foreign markets, in target range and pressure on furt market is becoming ever the D-Mark has been relieved more sensitive to international since the autumn by a turn- capital flows, and it may take

Simple truths about the time

and money-saving facsimile from NEC.



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